

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

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

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

ORGANISATIONAL INFORMATION

Place of business

Block K, Plot No.30
Area "D" Mlimwa East
P. O. Box 4104
Dodoma

Main banker

EXIM Bank Tanzania Limited
Dodoma Branch
Plot No. 8, Block "A", Uhindini Street
P. O. Box 1042
Dodoma

Auditor

ISHARA (Certified Public Accountants)
5th Floor, Wing "A", Msasani Tower
Ali Bin Said Street, Msasani Peninsula
P. O. Box 105924
Dar es Salaam
Taxpayer Identification Number (TIN): 127-018-162
Licensing Number: PF 297

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2024

The Directors have pleasure to present their report together with the audited financial statements for the year ended 31 December 2024, which disclose the state of affairs of Tanzania Early Childhood Development Network (hereinafter also “TECDEN” or “the Network”) as at that date. This report is prepared in compliance with provisions of Tanzania Financial Reporting Standard (TFRS) No. 1 – *The Report by Those Charged with Governance* and in the manner required by the Non-Governmental Organisations Act No. 24 of 2002 (hereinafter also “the Non-Governmental Organisations Act”).

1. REGISTRATION AND OFFICE ADDRESS

Tanzania Early Childhood Development Network (TECDEN) was founded in December 2000 and formally registered on 30 June 2004 by the Registrar of Societies, under the then Society's Ordinance, 1954 (now Societies Act, 2002) with registration number 12558. However, in order to align better with its main activities, the Network registered itself under the Non-Governmental Organisations' Act on 26 February 2015, and received a certificate of registration number 00007826, this registration was updated on 02 March 2023 and received a certificate with registration 00NGO/R1/00178. The address of the Network's office is as stated on page 1.

Tanzania Early Childhood Development Network is a national umbrella of early childhood organisation's working in partnership to influence policies, programs and practice related to Early Childhood Development (ECD) by sharing information, experience and through these processes to generate knowledge and understanding on ECD.

2. MISSION AND VISION

Vision statement:

A society where all children are developmentally on track to reach their full potential.

Mission statement:

TECDEN is determined to collaboratively work with other networks, coalitions, institutions, the private sector, the government, development partners and other potential stakeholders to influence policies, programs and practices related to Early Childhood Development (ECD). This can be achieved through sharing of information, experience and generating knowledge; and understanding of ECD; and work towards early investments in young children of 0 – 8 years in Tanzania.

3. PRINCIPAL ACTIVITIES

TECDEN is a national umbrella of early childhood organisations working in partnership to influence policies, programs and practice related to Early Childhood Development (ECD) by sharing information, experience and through these processes to generate knowledge and understanding on ECD.

4. PERFORMANCE FOR THE YEAR

The Statement of Financial Performance shows a surplus generated for the year ended 31 December 2024 of TZS 3.9 million (2023: 3.3 million). TECDEN spent funds amounting to TZS 2.8 billion for the year ended 2024 (2023: TZS 1.9 billion) to undertake various activities as detailed below. The detailed financial performance of the Network, during the year is set out on page 13 of the financial statements.

This report provides a detailed account of the implementation progress of the Tanzania TECDEN annual plan for 2024. It highlights significant steps in advancing early childhood development (ECD) initiatives across the country, demonstrating TECDEN's commitment to influence policies, programs, and practices that enhance the lives of children aged 0-8 years.

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)

4. PERFORMANCE FOR THE YEAR (Continued)

Main achievements and developments during the year

TECDEN operates as a national network comprising 122-member organizations (53 regular, 49 affiliate, and 20 strategic members) working in various nurturing care domains across all 26 administrative regions of Mainland Tanzania. To ensure effective coordination, TECDEN has established Regional ECD Coordination Units (RCUs) in each region. These RCUs play a pivotal role in coordinating civil society organizations (CSOs) to implement ECD interventions, with oversight from the TECDEN secretariat.

TECDEN's mission is to collaborate with government entities, networks, coalitions, the private sector, development partners, and other stakeholders to promote early investments in ECD. This mission is achieved by fostering knowledge sharing, generating new insights, and advocating for evidence-based policies and programs. TECDEN's four strategic objectives are: (1) data-driven advocacy to influence policies, laws, and frameworks to improve ECD service delivery for young children (0-8 years); (2) strengthening the capacity of members and other ECD actors to promote investment in early childhood development; (3) institutional capacity strengthening for partnership and linkages to ensure sustainable, quality ECD service delivery at all levels.

This report details the progress of TECDEN's annual plan for 2024, focusing on ECD initiatives. 2024 Key Achievements as per Strategic Objectives:

Strategic objective 1: Data driven advocacy to influence policies and improve ECD service delivery

National and subnational ECD Advocacy:

TECDEN conducted advocacy at various levels to increase investment in early childhood development (ECD). In collaboration with UNICEF, TECDEN facilitated meetings with the 30-member ECD caucus group of Parliament (MPs), emphasizing the importance of early childhood investment. During these meetings, MPs highlighted the long-term social and economic costs of neglecting ECD and committed to advocating for increased ECD investment and ensuring adequate funding.

Through media engagement, TECDEN conducted 121 advocacy sessions across 25 regions using radio, TV, newspapers, and social media platforms. Additionally, TECDEN trained journalists on accurate and impactful reporting of ECD issues, raising awareness about the significance of ECD and the urgent need for community investment.

TECDEN coordinated regional review meetings, which involved 370 stakeholders reviewing the progress of the National Multisectoral ECD Program across all 26 regions. These meetings resulted in actionable steps to increase investment in ECD program implementation. Notably, approximately 100 million Tanzanian shillings were mobilized for ECD interventions in Kahama Municipal Council for the Financial Year 2024/2025. ECD interventions were also integrated into the Comprehensive Social Welfare Operational Plan (CCSWOP) to increase public investment in ECD at the sub-national level.

In addition, TECDEN initiated the Child Care Campaign to raise awareness about childcare services. This campaign is set to be launched in March 2025 and is expected to foster community engagement and ownership. TECDEN also supported other ECD stakeholders in integrating ECD issues into their strategic plans and worked with government, international, and national stakeholders to increase access to quality and coordinated ECD services.

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)

4. PERFORMANCE FOR THE YEAR (Continued)

Strategic objective 2: Strengthening the capacity of members and other ECD actors

Through the Mtoto Kwanza Project, TECDEN conducted an ECD technical competence assessment among 26 Civil Society Organizations (CSOs) across all regions. This assessment led to an improvement in performance scores, which increased from 65% to 88%. TECDEN also provided training for its members in key areas such as leadership, governance, coordination and networking, the science of ECD, finance, and administration.

Additionally, areas requiring further capacity enhancement were identified, including fundraising mechanisms and leadership development. TECDEN also trained over 2,550 Community Health Workers (CHWs) and Community Case Workers, strengthening their ability to support ECD efforts at the community level.

Strategic objective 3: Institutional capacity strengthening for sustainable quality ECD service delivery

TECDEN supported staff in attending training on Facilitating Organizational Learning and Development (FOLD) Modules Two and Three in Moshi-Kilimanjaro, facilitated by EASUN. Additionally, two finance staff members attended a 2-day Annual Tax Workshop for Not-for-Profit Organizations in Dar es Salaam, which focused on tax reform knowledge and compliance.

Regarding governance, TECDEN successfully conducted all scheduled governance meetings, including Board meetings and the Annual General Meeting. TECDEN also developed and launched its five-year strategic plan for 2024-2028.

Furthermore, TECDEN coordinated all National Multisectoral Early Childhood Development Program (NM-ECDP) structured meetings at the national level, supporting the implementation of the NM-ECDP. In collaboration with AfECN and the Tanzanian Government, TECDEN organized and coordinated the East Africa Regional ECD Conference (EAR-ECDC), which attracted over 1,000 participants from around the world.

Challenges and lessons learned

TECDEN faced resource constraints that limited some planned activities, necessitating prioritization for the 2025 financial year. However, the strategic repositioning of TECDEN has led to impactful investments in ECD, garnered commitments from diverse stakeholders, and established the organization as a credible entity capable of delivering results. Moving forward, investing in robust organizational systems will be crucial for ensuring sustainability, enhancing resource mobilization, and increasing the impact of ECD initiatives.

5. TECDEN'S FUTURE PLANS

TECDEN plans to continue coordinating non-state actors in NM-ECDP's implementation at both National and sub-national level. In this regard, the Network will continue to manage implementation of "Mtoto Kwanza" Project which catalyses the NMECDP implementation in all 26 regions of mainland Tanzania.

TECDEN will further continue to coordinate the implementation of the National ECD Advocacy Strategy focusing to strengthening Multisectoral coordination by placing technical assistant at the Ministry of Community Development, Gender, Women and Special Groups as well as supporting accessibility of childcare services.

Similarly, TECDEN will finalize the development and piloting of the National Multisectoral ECD Scorecard to support ECD activities, routine performance management and inform decision making at National and sub-national level.

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)

5. TECDEN'S FUTURE PLANS (Continued)

Similarly, TECDEN will continue with capacity building and engage its members in various activities to ensure members are active in championing the ECD agenda at both National and sub-national levels.

Increase member engagement including sub-granting to other members other than RCUs who are currently sub-granted.

Increase funding base by seeking new partnership/donors.

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 Network has adequate resources to continue in operational existence for the foreseeable future.

The financial position of the Network as at 31 December 2024 is set out on page 14 of these financial statements.

7. CORPORATE GOVERNANCE

The operations of TECDEN are directed by the Board of Directors which meets at a minimum of 4 times per year. The number, powers and proceedings governing the role and conduct of Directors are as laid out in the Network's Constitution. The Board of Directors aims to have a minimum of 7 members plus the Executive Director who acts as the secretary.

The day-to-day activities of the Network are managed by the Executive Director who is assisted by a team of key officials namely the Advocacy Manager, Accountant, Project Manager, Administrator, Project Officer, and Communication and Partnerships Officer. The Executive Director is also a member of the Board of Directors of the Network.

The Board of Directors of the Network believes that high standards of corporate governance directly influence the Network's members and other stakeholders, and the Directors recognise the importance of integrity, transparency, responsibility and accountability in running the affairs of the Network

8. BOARD OF DIRECTORS

The Board of Directors currently consists of seven Directors headed by the Board Chairman. The Board takes overall responsibility for the Network, 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 a comprehensive system of internal control policies and procedures is operative and for compliance with sound corporate governance principles.

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

Name	Position	Age	Qualification	Member Organisation	Remarks
Mr. Mohamed Nkinde	Former Chairman	68	Director	MPDI ⁽¹⁾	Resigned in July 2024
Ms. Elizabeth Maginga	Chairperson	42	MPH; Political Science and sociology	We Care Foundation	Appointed in July 2024

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)

8. BOARD OF DIRECTORS (Continued)

Name	Position	Age	Qualification	Member Organisation	Remarks
Ms. Mwajuma Rwebangila	Secretary	42	Director	Not applicable	None.
Mr. Patrice Gwasma	Member	48	Finance	COSITA ⁽²⁾	None.
Mr. Souleman Masoud	Member	58	Director	MRZ ⁽³⁾	Resigned July 2024
Mr. Charles Fungo	Member	46	Project Management, Budget Management, ECD and Capacity Building	CRS ⁽⁴⁾	None.
Mr. Nguga Tepani	Member	59	Director	TANGO ⁽⁵⁾	Resigned in July 2024.
Mr. Selemani Idrisa	Member	54	Director	TECLA	Resigned in July 2024.
Ms. Felistas Kalomo	Member	77	Agriculture and Nutrition	CDO ⁽⁶⁾	None.
Mr. Onesmo Olengurumwa	Member	45	Advocate Lawyer	THDRC	Appointed in July 2024
Mr. Fadhili Mtanga	Member	44	Community Development and Project Management	HIMSO	Appointed in July 2024
Ms. Pauline Majogolo	Member	51	Social Work	NELICO	Appointed in July 2024

(1) MPDI – Monduli Pastoralist Development Initiatives

(2) COSITA – Community Support Initiatives Tanzania

(3) CDO – Childhood Development Organisation

(4) MRZ – Madrasa Recourse Centre Zanzibar

(5) CRS – Catholic Relief Services

(6) TANGO – Tanzania Association of Non-Governmental Organisations

(7) HIMSO - Health and Insurance Management Services Organization

(8) NELICO – New Light Children Centre Organisation

(9) THRDC - Tanzania Human Rights Defenders Coalition

(10) Wecare Foundation

During the financial year ended 31 December 2024, the Board convened 4 meetings.

9. MEMBERSHIP OF THE NETWORK

The Network's membership consists of organisations involved with Early 11 Childhood Development. There are founding members and other membership types namely Regular Members, Affiliate Members and Strategic members. As at 31 December 2024, the Network had 53 Regular, 49 Affiliate and 20 Strategic Active members (2023: 97).

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)

10. RISK MANAGEMENT

The Board accepts final responsibility for the risk management and internal control system of the Network. 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 Network's assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse condition; and
- Responsible behaviours 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 with such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the Network system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively. The Board assessed the internal control systems throughout the financial year ended 31 December 2024 and is of the opinion that they met accepted criteria.

11. EMPLOYEE WELFARE

Employee Benefit Plan

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

Relationship between Management and Employees

The relationship between management and employees was reasonably good. There were no unresolved complaints received by management from employees.

Medical assistance

All members of staff and their dependents are covered with medical insurance as per Organisation policy.

Gender balance

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

Gender	2024	2023
Female	5	4
Male	<u>6</u>	<u>6</u>
Total	<u>11</u>	<u>10</u>

12. PERSONS WITH DISABILITIES

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

13. POLITICAL AND CHARITABLE DONATIONS

The Network did not make any political or charitable donations during the year.

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)**

14. RELATED PARTY TRANSACTIONS

Transactions with related parties are disclosed in Note 20 to the financial statements.

15. AUDITOR

ISHARA were appointed as external auditors of the Network for the year ended 31 December 2024.

By order of the Board



Elizabeth Maginga
Chairperson

11th April,
.....2025



Mwajuma Rwebangila
**Executive Director &
Secretary**

11th April,
.....2025

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

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

The Network's Directors are responsible for the preparation of the financial statements that give a true and fair view of Tanzania Early Childhood Development Network comprising the statement of financial position as at 31 December 2024, and the statements of financial performance, change in net asset/equity and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Public Sector Standards (IPSAS) and in the manner required by the Non-Governmental Organisations Act.

The Directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The Director has made an assessment of the ability of the Network to continue as going concern and have no reason to believe that it will not be a going concern in the year ahead.

The auditors are responsible for reporting on whether the financial statements give a true and fair view in accordance with the selected financial reporting framework.



Elizabeth Maginga
Chairperson

11th April,2025



Mwajuma Rwebangila
**Executive Director &
Secretary**

11th April,2025

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

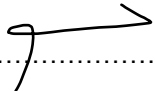
DECLARATION OF HEAD OF FINANCE FOR THE YEAR ENDED 31 DECEMBER 2024

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, Ummyhawa Omar Aweis, being the Head of Finance of Tanzania Early Childhood Development Network hereby acknowledge my responsibility of ensuring that the financial statements for the year ended 31 December 2024 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 of Tanzania Early Childhood Development Network as of that date and for the year then ended, and that the financial statements have been prepared based on properly maintained financial records.

Signature:

NBAA Membership No: ACPA 4594

.....11 April, 2025

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK****Report on the audit of the financial statements*****Opinion***

We have audited the financial statements of Tanzania Early Childhood Development Network ("the Network"), set out on pages 13 to 40 which comprise the statement of financial position as at 31 December 2024, and the statements of financial performance, changes in net assets/ equity and cash flows for the year then ended, and notes to the financial statements, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Tanzania Early Childhood Development Network as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) and in the manner required by the Non-Governmental Organisations Act.

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 *Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the Network in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Directors are responsible for the other information which comprises the Report of the Directors, Statement of Directors' Responsibilities and Declaration of Head of Finance. The other information does not include the financial statements and our auditors' report thereon.

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

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

Responsibilities Directors for the financial statements

Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Public Sector Accounting Standards and in the manner required by the Non-Governmental Organisations Act, and for such internal control as Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT (Continued)

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

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

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

We communicate with 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.

ISHARA

Certified Public Accountants (T)



.....
Signed by CPA I. H. Saburi (ACPA 1707)

Dar es Salaam

..... 11 April 2025

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Notes	2024 TZS '000	2023 TZS '000
Revenue			
Revenue from non-exchange transactions	5(a)	2,570,166	1,909,742
Other income	5(b)	<u>239,677</u>	<u>5,080</u>
		<u>2,809,843</u>	<u>1,914,822</u>
Expenditure			
Program related costs	6	2,475,421	1,648,162
Administration costs	8	<u>330,548</u>	<u>263,320</u>
Total expenditure		<u>2,805,969</u>	<u>1,911,482</u>
Surplus before taxation		3,874	3,340
Taxation charge for the year	10	<u>-</u>	<u>-</u>
Surplus for the year		<u><u>3,874</u></u>	<u><u>3,340</u></u>

Notes and related statements forming part of these financial statements appear on pages 17 to 40.

Report of the Auditor – Pages 11 and 12.

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

	Notes	2024 TZS '000	2023 TZS '000
ASSETS			
Non-current assets			
Property and equipment	11	34,969	33,502
Current assets			
Grant receivable	12	25,506	8,414
Advances to Implementing Partners	13	235,341	229,332
Other receivables	14	13,982	18,137
Cash and cash equivalents	15	1,879,888	1,135,031
Total current assets		2,154,717	1,390,914
Total assets		2,189,686	1,424,416
LIABILITIES			
Non – current liabilities			
Deferred capital grants	16	34,969	33,502
Deferred revenue grants	18	2,110,337	1,364,100
Total non-current liabilities		2,145,306	1,397,602
Current liabilities			
Accruals and other payables	17	118,165	104,473
Total liabilities		2,263,471	1,502,075
Net assets		(73,785)	(77,659)
NET ASSETS/ EQUITY			
Accumulated deficit		(73,785)	(77,659)
Total net assets/ equity		(73,785)	(77,659)

The financial statements on pages 13 to 40 were approved and authorised for issue by the Board on11.April.2025 and were signed on its behalf by:



Elizabeth Maginga
Chairperson

11th April,
.....2025



Mwajuma Rwebangila
Executive Director &
Secretary

11th April,
.....2025

Notes and related statements forming part of these financial statements appear on pages 17 to 40.

Report of the Auditor – Pages 11 and 12.

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

**STATEMENT OF CHANGES IN NET ASSETS/ EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Accumulated deficit TZS '000
At 1 January 2023	(80,999)
Surplus for the year	<u>3,340</u>
At 31 December 2023	<u>(77,659)</u>
At 1 January 2024	(77,659)
Surplus for the year	<u>3,874</u>
At 31 December 2024	<u>(73,785)</u>

Notes and related statements forming part of these financial statements appear on pages 17 to 40.

Report of the Auditor – Pages 11 and 12.

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024**

		2024	2023
	Notes	TZS '000	TZS '000
Cash flows from operating activities			
Surplus before taxation		3,874	3,340
<i>Adjustments for non-cash items:</i>			
Depreciation charge on property and equipment	11	8,256	5,962
Loss on asset written off	11	-	73
Net movement in deferred capital grants	16	1,467	6,965
Net movement in deferred revenue grants	18	<u>746,236</u>	<u>1,060,237</u>
Surplus from operations		759,833	1,076,577
<i>Changes in working capital items:</i>			
Change in grant receivable	12	(17,092)	(8,414)
Change in advances to Implementing Partners	13	(6,009)	(138,330)
Change in other receivables	14	4,156	(6,367)
Change in trade and other payables	17	<u>13,692</u>	<u>14,846</u>
Cash generated from operations		<u>754,580</u>	<u>938,312</u>
Cash flows from investing activities			
Acquisition of property and equipment	11	<u>(9,723)</u>	<u>(13,000)</u>
Net increase in cash and cash equivalents during the year		744,857	925,312
Cash and cash equivalents at the beginning of the year		<u>1,135,031</u>	<u>209,719</u>
Cash and cash equivalents at the end of the year	15	<u>1,879,888</u>	<u>1,135,031</u>

Notes and related statements forming part of these financial statements appear on pages 17 to 40.

Report of the Auditor – Pages 11 and 12.

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. ORGANISATION INFORMATION

Tanzania Early Childhood Development Network that is registered and domiciled in the United Republic of Tanzania. The address of its registered office is described in page 1 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 has been applied as required under IPSAS and presentation of Financial Statement is in Tanzanian Shillings.

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 Tanzania Early Childhood Development Network'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 clarifications to existing standards that were effective during the year and adopted by the Network

There were no amendments to Standards or new Standards which were applicable for the year ended 31 December 2024.

(ii) New Standards, amendments and clarifications to existing standards that are not yet effective and have been early adopted by the Network

IPSAS 43 – Leases

The Standard has a single lease accounting model, requiring leases to recognise a right-of-use asset and a lease liability. The right-of-use asset is measured initially at the amount of the lease liability plus any initial direct costs incurred by the lessee

This policy is applied to contracts entered into, on or after 1 January 2025. Earlier application is permitted, and the Network has adopted the Standard during the year ended 31 December 2023. The adoption of the Standard did not have a material effect in the Network's financial reporting since currently it does not have any long-term lease contracts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(b) Changes in accounting policy and disclosures (Continued)

(iii) **New Standards, amendments and clarifications to existing standards that are not yet effective and have not been early adopted by the Network**

A number of relevant amendments to Standards and new Standards were in issue during the year ended 31 December 2024, and which are not yet effective and have not been early adopted by the Network. The Directors believes that adoption of the amendments and new Standards when effective, will not have a material effect on the Network's financial reporting. Set out below are the amendments to relevant Standards and new Standards:

IPSAS 1 – *Presentation of Financial Statements*

The Improvements to IPSAS, 2023 pronouncement, issued by the International Public Sector Accounting Standards Board (IPSASB) in April 2024, includes amendments to various Standards, notably IPSAS 1, *Presentation of Financial Statements*. These amendments aim to align IPSAS with updates from the International Accounting Standards Board's (IASB) narrow scope projects.

Effective date: 1 January 2025 with earlier application permitted.

IPSAS 45 replaces IPSAS 17 – *Property, Plant, and Equipment*

It introduces improvements to measurement, recognition, and disclosure of property, plant, and equipment (PPE) in the Public Sector.

Key features of the Standard include the following:

(i) New Measurement Model

- Introduces Current Operational Value (COV) as a measurement option for assets used to provide public services.
- Allows the use of historical cost as an alternative measurement basis.

(ii) Public Sector-specific Guidance

- Provides additional guidance on heritage assets and infrastructure assets.
- Clarifies treatment of assets that do not generate cash flows.

(iii) Enhanced Disclosure Requirements

- Requires more detailed information on asset condition, restrictions, and valuation methods.

Benefits of IPSAS 45

- (a) Enhances financial reporting by aligning PPE measurement with public sector needs.
- (b) Improves transparency and comparability across jurisdictions.
- (c) Supports better decision-making by providing relevant asset information.

Effective date: 1 January 2025 with earlier application permitted.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(b) Changes in accounting policy and disclosures (Continued)

(iii) New Standards, amendments and clarifications to existing standards that are not yet effective and have not been early adopted by the Network (Continued)

IPSAS 46 – Measurement

The Standard establishes a consistent framework for measurement principles across all IPSAS standards. It aims to improve clarity in how public sector entities measure assets and liabilities.

Key features of the Standard are as set out below:

(i) Defines Measurement Bases

- Introduces Current Operational Value (COV) for measuring assets held for service delivery.
- Retains fair value for assets and liabilities in market-driven transactions.
- Maintains historical cost as an alternative measurement basis.

(ii) Guidance for Public Sector Assets

- Provides specific measurement guidance for non-cash-generating assets (e.g., heritage assets, public infrastructure).
- Clarifies approaches for valuing specialized public sector assets.

(iii) Consistency Across IPSAS Standards

- Aligns measurement requirements across all IPSASs.
- Ensures comparability and transparency in financial reporting.

Benefits of IPSAS 46:

- (a) Enhances financial statement reliability by standardising measurement.
- (b) Addresses public sector-specific asset valuation challenges; and
- (c) Improves alignment with IPSAS 45 (Property, Plant, and Equipment) and IPSAS 47 (Presentation of Financial Statements).

Effective date: 1 January 2025 with earlier application permitted.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(b) Changes in accounting policy and disclosures (Continued)

(iii) New Standards, amendments and clarifications to existing standards that are not yet effective and have not been early adopted by the Network (Continued)

IPSAS 47 replaces IPSAS 1 – *Presentation of Financial Statements*

It enhances the structure and presentation of public sector financial reports to improve transparency and comparability.

Key features of the Standard are as stated below:

(i) Revised Financial Statement Structure

- Updates the requirements for the presentation of the statement of financial position, financial performance, and cash flows.
- Introduces new classifications and subtotals to enhance clarity.

(ii) Enhanced Disclosure Requirements

- Strengthens disclosures on management judgments, assumptions, and key estimates.
- Improves transparency in non-exchange transactions (e.g., grants, donations).

(iii) Alignment with IFRS-Based Frameworks

- Aligns public sector reporting with IFRS Standards, while maintaining public sector-specific requirements.

Benefits of IPSAS 47

- (a) Provides a clearer, more structured approach to financial reporting.
- (b) Improves comparability across public sector entities.
- (c) Enhances decision-making through better financial information presentation.

Effective date: 1 January 2026 with earlier application permitted.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(b) Changes in accounting policy and disclosures (Continued)

(iii) New Standards, amendments and clarifications to existing standards that are not yet effective and have not been early adopted by the Network (Continued)

IPSAS 49 – Retirement Benefit Plans

IPSAS 49 establishes comprehensive accounting and reporting requirements for the financial statements of retirement benefit plans, specifically those serving current and former public sector employees and other eligible members. The standard aims to enhance transparency and accountability by ensuring that the financial activities, assets, and obligations of these plans are clearly presented.

Key features:

(i) Scope and applicability:

- Applies to financial statements prepared by retirement benefit plans within the public sector.
- Focuses on the plan's perspective, ensuring that obligations to participants are accurately reported.

(ii) Financial reporting requirements:

- Mandates the presentation of a statement of net assets available for benefits, detailing the plan's assets and liabilities.
- Requires a statement of changes in net assets available for benefits, outlining additions (e.g., contributions, investment income) and deductions (e.g., benefit payments, administrative expenses).

(iii) Measurement and valuation:

- Assets are to be measured at fair value.
- Obligations for future benefits should be actuarially assessed, reflecting the present value of expected payments.

(iv) Disclosure requirements:

- Comprehensive disclosures about the plan's terms and operations.
- Information on actuarial assumptions and methods used in measuring benefit obligations.
- Details of investment policies, risks, and performance.

Benefits of IPSAS 49:

- (a) Enhances the transparency of retirement benefit plans' financial positions and performance.
- (b) Improves comparability across public sector entities managing such plans.
- (c) Provides stakeholders, including plan participants and regulators, with reliable information for decision-making.

Effective date: 1 January 2026 with earlier application permitted.

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Revenue from non-exchange transactions

Revenues from non-exchange transactions with the donors are measured at fair value and recognised 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 Network and can be measured reliably. Donors grants are not recognised until there is reasonable assurance that the Network will comply with the conditions attached to them and that the grants will be received.

Other donors' grants are recognised 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 Network with no future related costs are recognised in surplus or deficit in the period in which they become receivable.

(d) Equipment

Property and equipment are tangible assets which the Network 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 Network, and the cost of the item can be measured reliably. Also capitalise 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 TZS 250,000 or more inclusive of tax;
- 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 are 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 Network. 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 %
Office equipment	12.5
Computers and accessories	20
Furniture and fittings	12.5
Motor vehicles and Motorcycles	12.5

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.

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business). If not, they are presented as non-current liabilities.

(f) Cash and cash equivalents

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 revenue

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

(h) Employee benefit

Retirement benefit obligations

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

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Employee benefit (Continued)

Provisions are recognised when:

- The Network 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

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision. Provisions are not recognised for future operating losses.

(i) Translation of foreign currencies

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Network operates ('the functional currency'). The financial statements are presented in Tanzanian Shillings ("TZS") which is the Network's functional and presentation currency.

(ii) 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.

(j) Financial instruments

(i) *Recognition and initial measurement*

Except for certain short-term receivables and payables, all financial instruments are initially measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs. Short-term receivables and payables shall be measured at the original invoice amount at initial recognition, if the effect of discounting is immaterial.

(ii) *Classification and subsequent measurement*

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost fair value through surplus or deficit or (fair value through net assets/equity. Financial assets are not reclassified subsequent to their initial recognition unless the Network changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Financial instruments (Continued)

(ii) *Classification and subsequent measurement (Continued)*

Financial assets (Continued)

A financial asset is measured at amortised cost if it meets both of the following:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

A financial asset is measured at fair value through net assets/equity it meets both of the following:

- The financial asset is held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets – Subsequent measurement and gains and losses

These assets are subsequently measured as measured at: amortised cost fair value through surplus or deficit or (fair value through net assets/equity. A gain or loss on a financial asset or financial liability that is measured at fair value shall be recognised in surplus or deficit unless:

- It is part of a hedging relationship;
- It is an investment in an equity instrument and the entity has elected to present gains and losses on that investment in net assets/equity in accordance with paragraph 106; and
- It is a financial liability designated as at fair value through surplus or deficit and the entity is required to present the effects of changes in the liability's credit risk in net assets/equity

Financial liabilities – Classification, subsequent measurement and gains and losses

An entity shall classify all financial liabilities as subsequently measured at amortised cost, except for;

- Financial liabilities at fair value through surplus or deficit. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value;
- Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;
- Commitments to provide a loan at a below-market interest rate.
- Contingent consideration recognised by an acquirer in a public sector combination to which IPSAS 40 applies. Such contingent consideration shall subsequently be measured at fair value with changes recognised in surplus or deficit.

(iii) *Derecognition*

Financial assets

The Network derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Network neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Financial instruments (Continued)

(iii) *Derecognition (Continued)*

Financial liabilities

The Network derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Network also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Network currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Impairment

Non-derivative financial assets

Financial instruments and contract assets

The Network recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost.

The Network measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.
- Loss allowances for trade receivables or other receivables are always measured at an amount equal to lifetime ECLs

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Network considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Network's historical experience and informed credit assessment, that includes forward-looking information.

The Network assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Financial instruments (Continued)

Impairment (Continued)

Non-derivative financial assets (Continued)

Financial instruments and contract assets (Continued)

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Network is exposed to credit risk.

Measurement of ECLs

An entity shall measure expected credit losses of a financial instrument in a way that reflects;

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Credit-impaired financial assets

At each reporting date, the Network assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Network has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Usually, the Network individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Network expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Network's procedures for recovery of amounts due.

Non-financial assets

At each reporting date, the Network reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Financial instruments (Continued)

Impairment (Continued)

Non-financial assets (Continued)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Network'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 Network's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments – Organisation as a lessee

The Network has entered into lease agreements for office space. The Network 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.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

(a) Market risk

The Network 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 Network, primarily with respect to United States Dollars.

Organisation financial assets and liabilities are denominated in Tanzania shillings. As a result, the Network is not exposed to exchange rate fluctuations that have an impact on cash flows.

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Liquidity risk

Liquidity risk is the risk that the Network 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 Network ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

Maturity analysis for financial assets and liabilities is as follows:

	Up to 1 year TZS '000	Up to 2 years TZS '000	Over 2 years TZS '000	Total TZS '000
At 31 December 2024				
Financial assets				
Grant receivables (Note 12)	25,506	-	-	25,506
Advances to Implementing Partners (Note 13)	233,016	2,325	-	235,341
Cash and cash equivalents (Note 15)	1,879,888	-	-	1,879,888
Total financial assets	<u>2,138,410</u>	<u>2,325</u>	<u>-</u>	<u>2,140,735</u>
Financial liabilities				
Accrued expenses (Note 17)	1,970	-	-	1,970
Trade payables (Note 17)	33,846	-	-	33,846
Total financial liabilities	<u>35,816</u>	<u>-</u>	<u>-</u>	<u>35,816</u>
Net liquidity gap	<u>2,102,594</u>	<u>2,325</u>	<u>-</u>	<u>2,104,919</u>
At 31 December 2023				
Financial assets				
Grant receivables (Note 12)	8,414	-	-	8,414
Advances to Implementing Partners (Note 13)	227,007	2,325	-	229,332
Cash and cash equivalents (Note 15)	1,135,031	-	-	1,135,031
Total financial assets	<u>1,370,452</u>	<u>2,325</u>	<u>-</u>	<u>1,372,777</u>
Financial liabilities				
Accrued expenses (Note 17)	12,124	-	-	12,124
Trade payables (Note 17)	10,000	-	-	10,000
Total financial liabilities	<u>22,124</u>	<u>-</u>	<u>-</u>	<u>22,124</u>
Net liquidity gap	<u>1,348,328</u>	<u>2,325</u>	<u>-</u>	<u>1,350,653</u>

(c) Credit risk

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

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Credit risk (Continued)

The amount that best represents the Network's maximum exposure to credit risk at 31 December 2024 is made up as follows:

	Gross carrying amount 2024 TZS '000	Credit loss allowance 2024 TZS '000	Amortised cost 2024 TZS '000	Gross carrying amount 2023 TZS '000	Credit loss allowanc e 2023 TZS '000	Amortised cost 2023 TZS '000
Grant receivable (Note 12)	25,506	-	25,506	8,414	-	8,414
Bank balances (Note 15)	1,879,339	-	1,879,339	1,134,853	-	1,134,853
Advances to Implementing Partners (Note 13)	<u>237,666</u>	<u>(2,325)</u>	<u>235,341</u>	<u>231,657</u>	<u>(2,325)</u>	<u>229,332</u>
	<u>2,142,511</u>	<u>(2,325)</u>	<u>2,140,186</u>	<u>1,374,924</u>	<u>(2,325)</u>	<u>1,372,599</u>

5. REVENUE

(a) Revenue from non-exchange transactions

	2024 TZS '000	2023 TZS '000
Revenue grants:		
The African Early Childhood Network [Note 18(b) and Note 12(b)]	185,574	104,767
Global School Foundation [Note 18(b)]	7,160	-
Better Way Foundation [Note 18(b)]	258,451	220,114
Spark Health Africa [Note 18(b)]	114,138	11,971
Conrad N. Hilton Foundation [Note 18(b)]	431,799	71,323
Children in Crossfire [Note 18(b)]	1,564,388	1,490,632
Other stakeholders	<u>400</u>	<u>4,900</u>
Sub-total – revenue grants	2,561,910	1,903,707
Capital grants utilised [Note 16(b)]	<u>8,256</u>	<u>6,035</u>
Grand total – revenue from non-exchange transactions	<u>2,570,166</u>	<u>1,909,742</u>

(b) Other revenue

Interest income (bank balances)	3,536	1,740
EAR conference*	213,975	-
Other revenue	11,756	-
Subscription from member organisations	<u>10,410</u>	<u>3,340</u>
Total other revenue	<u>239,677</u>	<u>5,080</u>

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)

5. REVENUE (Continued)

* During the year ended 31 December 2024, the East African Regional Early Childhood Conference was held in Tanzania. AfECN was the main organizer and collaborated with TECDEN to facilitate the conference. Over 1,000 participants attended the conference, each paying an entry fee of at least TZS 200,000. Additionally, five donors contributed according to their sponsorship packages, with Silver packages ranging from USD 10,000 and Bronze packages ranging from USD 5,000.

	2024 TZS '000	2023 TZS '000
6. PROGRAM RELATED COSTS		
TECDEN participation in other ECD coordination processes	56,903	24,454
National ECD Task Force	9,789	-
Engaging sub-national local CSO ECD Champions	27,901	11,520
Engaging sub-national local CSO ECD Champions	24,697	19,603
Coordination/ capacity-building of local CSO ECD Champions	146,619	339,210
Performance Management	438,199	394,044
Regional Bi-annual NM-ECDP progress review	338,969	114,869
Field Supportive supervision for Local CSO Champion	7,520	-
Championing sub-nationally National ECD Advocacy agenda	260,586	180,853
Global Leaders Programme Sponsorship	-	14,465
Other Coordination Meeting	505	-
Strengthening Advocacy Capacity (SAC)	32,292	45,779
NMCDP Score Card	106,778	69,389
EAR conference	198,356	-
Tanzania Childcare Campaign Roadmap	60,999	-
Spark Health Africa – ECD Coordination	114,104	-
Global School Forum expenses	7,160	-
ECD System strengthening	2,230	-
Program staff costs [Note 7(a)]	563,648	461,911
Unrealised foreign exchange losses/ (gain) – net	78,166	(27,935)
	<u>2,475,421</u>	<u>1,648,162</u>

Legend:

NM-ECDP: National Multi-Sectoral Early Childhood Development Program
 ECD: Early Childhood Development
 CSO: Civil Society Organisations

	2024 TZS '000	2023 TZS '000
7. STAFF COSTS		
(a) Program staff		
Salaries and wages	484,257	405,376
Social security contribution	48,426	40,538
Skills and Development Levy	18,093	8,104
Health insurance premium	10,254	5,866
Workers Compensation Fund (WCF)	2,618	2,027
	<u>563,648</u>	<u>461,911</u>

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)

	2024 TZS '000	2023 TZS '000
7. STAFF COSTS (Continued)		
(b) Support staff		
Salaries and wages	123,430	103,293
Social security contribution	12,343	10,329
Health insurance premium	4,916	2,814
Workers Compensation Fund (WCF)	667	516
	<u>141,356</u>	<u>116,952</u>
8. ADMINISTRATION COSTS		
Board of Directors meetings and Annual General Meeting	69,052	33,720
TECDEN organisational review	5,500	-
Strategic planning process costs	15,646	42,399
Strengthening financial management	35,960	18,380
Rental expense	13,800	13,300
Security charges	8,496	8,496
Printing & postage expenses	5,232	1,270
Supplies & material charges	18,902	3,230
Travel & transportation costs	2,723	1,640
Telephone & internet expenses	2,355	7,267
Compliance charges	253	2,197
Depreciation charges	8,256	5,962
Network equipment costs	-	72
Bank charges	3,017	6,110
Uncollectible balances from Implementing Partners – Note 13(b)	-	2,325
Support staff costs [Note 7(b)]	<u>141,356</u>	<u>116,952</u>
	<u>330,548</u>	<u>263,320</u>
9. SURPLUS BEFORE TAXATION		
The surplus before taxation is arrived at after charging the following:		
	2024 TZS'000	2023 TZS '000
Auditor's remuneration	14,354	12,123
Depreciation and amortisation charge	<u>8,256</u>	<u>6,034</u>
	<u>22,610</u>	<u>18,157</u>
10. TAXATION CHARGE		

The Network did not have a tax charge for the year as a result of NIL taxable income. Furthermore, its Directors believe that the Network's activities are of charitable nature, and have instructed the Management of the Network to apply for charitable status from the Commissioner General of the Tanzania Revenue Authority (TRA). However, the Network's tax affairs (including the position asserted above) are subject to review and agreement by TRA.

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)

11. PROPERTY AND EQUIPMENT

	Computers & accessories TZS '000	Furniture & fittings TZS '000	Office equipment TZS '000	Total TZS '000
Cost				
Balance at 1 January 2023	18,714	12,078	1,895	32,687
Additions during the year	3,000	737	9,263	13,000
Eliminated on write off	-	(95)	-	(95)
Balance at 31 December 2023	21,714	12,720	11,158	45,592
Balance at 1 January 2024	21,714	12,720	11,158	45,592
Additions during the year	9,723	-	-	9,723
Balance at 31 December 2024	31,437	12,720	11,158	55,315
Depreciation				
Balance at 1 January 2023	4,557	1,377	216	6,150
Charge for the year	3,809	1,569	584	5,962
Eliminated on write off	-	(22)	-	(22)
Balance at 31 December 2023	8,366	2,924	800	12,090
Balance at 1 January 2024	8,366	2,924	800	12,090
Charge for the year	5,271	1,590	1,395	8,256
Balance at 31 December 2024	13,637	4,514	2,195	20,346
Net book value				
31 December 2023	13,348	9,796	10,358	33,502
31 December 2024	17,800	8,206	8,963	34,969

12. GRANT RECEIVABLE

(a) Composition of grant receivable

The composition of grant receivable as at 31 December 2024 is as follows:

	2024 TZS '000	2023 TZS '000
Grant receivable – Africa Early Childhood Network (AfECN)	25,506	8,414

(b) Movement in grants receivable

Movement in grants receivable during the year is as set out below:

Balance at 1 January	8,414	-
Grant received during the year	(42,423)	(14,586)
Grant utilised during the year	59,515	23,000
Balance at 31 December	25,506	8,414

The grant receivable as at 31 December 2024 relates to expenditure incurred in advance of receipt of part of the grant from Africa Early Childhood Network (AfECN) in respect of personnel secondment arrangement with the Ministry of Community Development, Gender, Women and Special Groups as part of funding received from AfECN in the year 2022. The grant receivable was part of funding from Better Way Foundation through Children in Crossfire to support institutional reform of the Network.

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)

13. ADVANCES TO IMPLEMENTING PARTNERS

(a) Composition of advances to Implementing Partners

During the year ended 31 December 2024, The Network signed Project Implementing Agreements with various Civil Society Organisations (CSOs) to collaborate with in implementation of the "Mtoto Kwanza" Project. This Project aims at catalysing the implementation of the National Multi-Sectoral Early Childhood Development Program (NM-ECDP). Balances in the Table below represent funds remaining as at 31 December 2024 from disbursements made during the year to the CSOs/ Implementing Partners. Activities in respect of those balances will happen during the year ending 31 December 2024.

Composition of advances to Implementing Partners as at 31 December 2024 is as follows:

	2024 TZS '000	2023 TZS '000
Gross advances to implementing partners	237,666	231,657
Uncollectible advances written off	(2,325)	(2,325)
Net advances to implementing partners	<u>235,341</u>	<u>229,332</u>

(b) Movement in advances to implementing partners

The movement in advances to Implementing Partners during the year ended 31 December 2024 is as shown below:

	2024 TZS '000	2023 TZS '000
Balance at 1 January	229,332	91,002
Amount disbursed during the year	709,448	715,751
Amount retired during the year	(703,439)	(575,096)
Uncollectible advances written off	-	(2,325)
Balance at 31 December	<u>235,341</u>	<u>229,332</u>

14. OTHER RECEIVABLES

Prepayments	14,108	18,689
Staff advances	(127)	(552)
	<u>13,981</u>	<u>18,137</u>

15. CASH AND CASH EQUIVALENTS

Cash at bank	1,879,339	1,134,853
Cash on hand	549	178
	<u>1,879,888</u>	<u>1,135,031</u>

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)

16. DEFERRED CAPITAL GRANTS

(a) Composition of deferred capital grants

Deferred capital grants compose of property and equipment received as direct donation from various donors or acquisitions done using revenue grants from donors. Presented below is the composition of deferred capital grants during the year ended 31 December 2024:

	2024 TZS '000	2023 TZS '000
Computers and accessories (Note 11)	17,800	13,348
Furniture and fittings (Note 11)	8,206	9,796
Office equipment (Note 11)	8,963	10,358
	<u>34,969</u>	<u>33,502</u>

(b) Movement in deferred capital grants

Movement in deferred capital grants during the year ended 31 December 2024 is as follows:

	2024 TZS '000	2023 TZS '000
Balance at 1 January	33,502	26,537
Additions during the year (Note 11)	9,723	13,000
Amortisation for the year (Note 5)	(8,256)	(6,035)
Balance at 31 December	<u>34,969</u>	<u>33,502</u>

17. TRADE AND OTHER PAYABLES

Trade and other payables	33,846	10,000
Accrued expenses	1,970	12,124
Provisions	82,349	82,349
	<u>118,165</u>	<u>104,473</u>

18. DEFERRED REVENUE GRANTS

(a) Composition of deferred revenue grants

Composition of deferred revenue grants at 31 December 2024 is as follows:

	2024 TZS '000	2023 TZS '000
Conrad N. Hilton Foundation	1,772,247	859,736
Children in Crossfire	183,983	490,406
Better Way Foundation	-	7,062
The African Early Childhood Network	118,264	6,496
Spark Health Africa	14,202	-
Global School Forum	21,641	-
Other donors	-	400
	<u>2,110,337</u>	<u>1,364,100</u>

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)**

18. DEFERRED REVENUE GRANTS (Continued)

(b) Movement in deferred revenue grants

Movement of deferred revenue grants during the year ended 31 December 2024 is as follows:

	AfECN⁽¹⁾	GSF⁽²⁾	Spark Health Africa⁽³⁾	Other donors	BWF⁽⁴⁾	CiC⁽⁵⁾	Conrad Hilton⁽⁶⁾	Total
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS'000	TZS '000
Balance at 1 January 2023	93,468	-	-	-	-	210,395	-	303,863
Receipt during the year	-	-	11,971	400	233,326	1,784,275	937,209	2,967,181
Utilisation during the year (Note 5)	(81,767)	-	(11,971)	-	(220,114)	(1,490,632)	(71,323)	(1,875,807)
Prepayment during the year	-	-	-	-	-	(18,137)	-	(18,137)
Reclassification during the year	(5,205)	-	-	-	-	5,205	-	-
Transfer to the capital grant	-	-	-	-	(6,150)	(700)	(6,150)	(13,000)
Balance at 31 December 2023	<u>6,496</u>	<u>-</u>	<u>-</u>	<u>400</u>	<u>7,062</u>	<u>490,406</u>	<u>859,736</u>	<u>1,364,100</u>
Balance at 1 January 2024	6,496	-	-	400	7,062	490,406	859,736	1,364,100
Receipt during the year	237,827	28,800	128,341	-	251,389	1,257,965	1,360,449	3,264,771
Utilisation during the year (Note 5)	(126,059)	(7,160)	(114,138)	(400)	(258,451)	(1,564,388)	(431,799)	(2,502,395)
Prepayments during the year	-	-	-	-	-	-	(13,157)	(13,157)
Reclassification during the year	-	-	-	-	-	-	6,741	6,741
Transfer to the capital grant	-	-	-	-	-	-	(9,723)	(9,723)
Balance at 31 December 2024	<u>118,264</u>	<u>21,640</u>	<u>14,203</u>	<u>-</u>	<u>-</u>	<u>183,983</u>	<u>1,772,247</u>	<u>2,110,337</u>

Details of deferred revenue grants during the year is as shown on the next page.

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)

18. DEFERRED REVENUE GRANTS (Continued)

(b) Movement in deferred revenue grants (Continued)

1. African Early Childhood Network (AfECN)

During the year ended 31 December 2022, TECDEN entered into an agreement with AfECN to support the finalisation of the development of the National Multi-Sectoral Early Childhood Development Program (NMECDP) advocacy strategy. The grant which is to the tune of USD 100,000 will be received in three instalments and shall cover a period up to 31 October 2025. During the year ended 31 December 2024 utilisation on the grant was TZS 126 million (2023: TZS 81.8 million). Likewise, during the same year, AfECN provided an additional grant of USD 2,000 (equivalent to TZS 4.8 million) per month to cover costs of personnel secondment arrangement at the Ministry of Community Development, Gender, Women and Special Group. The funding is for a period of one year from 1 August 2023, and during the year, TZS 59 million (USD 24,500) was spent on this additional funding making the total utilisation of grants from AfECN for the year of TZS 185 million [see also Note 5(a) and Note 12(b)].

2. Global Schools Forum

During the year ended 31 December 2024, TECDEN entered into an agreement with the Global Schools Forum, valid until 31 December 2029, to conduct a scoping study to identify opportunities for non-state childcare organizations and foster national policy dialogue for children in Tanzania. The grant amount of USD 12,000 (equivalent to TZS 29 million) was received, and out of that amount, TZS 7 million was utilized during the year.

3. Spark Health Africa

During the year ended 31 December 2024, Spark Health and TECDEN entered into a contract with partners from the Conrad N. Hilton Foundation, convening in Tanzania to support various initiatives in the field of Early Childhood Development (ECD). Spark Health engaged TECDEN to provide administrative support for the efficient implementation of the program. In return, Spark Health agreed to compensate TECDEN with 5% of the operational budget allocated for the ECD program. During the same period, Spark Health donated a total of TZS 128 million (2023 TZS 12 million), of which TZS 114 million of the grant received was utilised.

4. Better Way Foundation (BWF)

During the year ended 31 December 2024, TECDEN was in a final phase of the agreement with Better Way Foundation. The agreement commenced on 1 January 2023 through 31 December 2024, the grant was to support strategies investment in early childhood development, economic development, stakeholders training and advocacy. During the year ended 31 December 2024, grant amounting to TZS 258 million (2023: TZS 226 million) was fully utilised by the Network.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)**

18. DEFERRED REVENUE GRANTS (Continued)

(b) Movement in deferred revenue grants (Continued)

5. Children in Crossfire (CiC)

During the year ended 31 December 2024, TECDEN received another grant from Children in Crossfire to implement the “Mtoto Kwanza Phase 2” Project which aims to catalyse the roll out Tanzania’s National Multisectoral Early Childhood Development Programme (NM-ECDP) at sub-national and community level. The Project is expected to be implemented in all 26 regions of mainland Tanzania. The grant duration is up to 30 September 2027, whereby the amount given is TZS 1.7 billion. During the year ended 31 December 2024, out of the total receipt of TZS 1.2 billion as part of the grant, utilisation was TZS 1.56 billion (2023: TZS 1.49 billion).

6. Conrad N. Hilton Foundation

During the year ended 31 December 2024, TECDEN entered into an agreement with the Conrad N. Hilton Foundation, valid until 30 September 2027, to support the development of an Early Childhood Development (ECD) civil society rollout of the Tanzania National Multisectoral Early Childhood Development Programme (NM-ECDP). This initiative aims to increase access to services for young children. The grant amount is USD 500,000 (equivalent to TZS 1.3 billion). During the year ended 2024, TZS 447 million was utilized from the remaining balance of TZS 859.7 million from the previous year (2023: TZS 71 million).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)**

19. CONTINGENT LIABILITIES AND COMMITMENTS

The Directors are not aware of any significant contingent liabilities and capital commitments as at 31 December 2024. (2023: NIL).

20. 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.

There were several transactions with related parties during the year ended 31 December 2024 as detailed below.

(a) Funding transactions – disbursements/ (retirements)

	2024	2023
	TZS '000	TZS '000
Childhood Development Organisation (CDO)	37,381	17,619
Childhood Development Organisation (CDO)	(28,723)	(29,126)
Monduli Pastoralist Development Initiatives (MPDI)	-	19,966
Monduli Pastoralist Development Initiatives (MPDI)	-	(30,422)
New Light Children Centre Organisation (NELICO)	25,000	-
New Light Children Centre Organisation (NELICO)	(27,278)	-
Health and Insurance Management Service Organisation (HIMSO)	25,000	-
Health and Insurance Management Service Organisation (HIMSO)	(25,618)	-
Community Support Initiative Tanzania (COSITA)	35,000	20,000
Community Support Initiative Tanzania (COSITA)	(26,169)	(28,847)
	<u>14,593</u>	<u>(30,810)</u>

The above transactions give rise to the balances due to related parties as shown below:

(b) Amounts due from related parties

	2024	2023
	TZS '000	TZS '000
Childhood Development Organisation (CDO)	8,767	155
Monduli Pastoralist Development Initiatives (MPDI)	-	861
New Light Children Centre Organisation (NELICO)	9,985	-
Health and Insurance Management Service Organisation (HIMSO)	10,000	-
Community Support Initiative Tanzania (COSITA)	8,908	77
	<u>37,660</u>	<u>1,093</u>

(c) Remuneration of Key Management Personnel

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

	2024	2023
	TZS '000	TZS '000
Salaries and other short-term benefits	<u>375,954</u>	<u>342,737</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)**

21. EVENTS AFTER THE REPORTING PERIOD

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

22. COMPARATIVE INFORMATION

Wherever appropriate, comparative information has been aligned to conform with current year's presentation.