TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK
Formerly
(MTANDAO WA MALEZI, MAKUZI NA MAENDELEO YA WATOTO WADOGO TANZANIA)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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ORGANISATION INFORMATION

Place of business

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

Main banker
CRDB Bank PLC.
Chamwino Branch
P.O.Box 1224
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

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors have pleasure to present their report together with the audited financial statements for the year ended 31 December 2022, which disclose the state of affairs of Tanzania Early Childhood Development Network (hereinafter also "the Organisation" or "TECDEN") 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 Organisation registered itself under the Non-Governmental Organisations' Act on 26 February 2015, and received a certificate of registration number 00007826. The address of the Organisation'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. CHANGE OF ORGANISATION'S NAME

On 2 March 2023 the Organisation changed its name from "Mtandao wa Malezi, Makuzi na Maendeleo ya Watoto Wadogo Tanzania" to the English translation of the Swahili name as "Tanzania Early Childhood Development Network". Since its establishment, the Organisation was using both names interchangeably i.e. either in Swahili or English translation of the same name. However, due to regulatory requirements, the Organisation adopted the English translation of the former name in Swahili as its official name with effective from the date mentioned above. Following the change in name, the Organisation was issued with Certificate of Change of Name Number 00178 by the Registrar of Non-Governmental organisations.

3. 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.

4. 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.

5. PERFORMANCE FOR THE YEAR

The Statement of Financial Performance shows no surplus generated for the year ended 31 December 2022 (2021: NIL). TECDEN spent funds amounting to TZS 1.088 billion for the year ended 2022 (2021: TZS 304 million) to undertake various activities as detailed below. The detailed financial performance of the Organisation, during the year is set out on page 14 of the financial statements.

Main achievements and developments during the year

For the year 2022, TECDEN strengthened the capacity to effectively coordinate civil society participation in monitoring and advocating for effective delivery of the ECD sector in Tanzania. The result included signing the Programme Cooperation Agreement (PCA) with Children in crossfire (CiC) to implement the "Mtoto Kwanza" Project from the financial year 2021/2022 to 2023/2024 across 26 regions in Tanzania Mainland and again TECDEN signed contract with African Early Childhood Network (AfECN) to develop NM-ECDP Advocacy strategy 2021/22- 2025/26;

For the year 2022, TECDEN has accomplished a number of activities which have improved the Organisation's visibility including partnering with 10 Civil Society Organisations (CSOs) namely Action for Community Care - Dodoma, TADEPA - Kagera, LIWOPAC – Lindi, CDO – Morogoro, VIPAMARU –Rukwa, JIDA – Tabora, BJI – Dar es Salaam, MPDI – Arusha, COSITA – Manyara and KIHUMBE-Mbeya for the implementation of "Mtoto Kwanza" Project which catalyse the implementation of National Multi-Sectoral Early Childhood Development Programme (NM-ECDP) 2021/22 - 2025/26;

TECDEN in collaboration with Children in Crossfire (CiC) and Union of Tanzania Press Club (UTPC) conducted orientation to 30 CSOs representatives, 10 Regional Community Development Officers (RCDOs) from 10 regions of Dodoma, Mbeya, Dar es Salaam, Lindi, Rukwa, Tabora, Arusha, Morogoro, Kagera and Manyara;

TECDEN in collaboration with key ECD Ministries and ECD stakeholders supported the NME-CDP dissemination and orientation meetings across 10 regions of Morogoro, Arusha, Tabora, Mbeya, Lindi, Rukwa, Kagera, Dar Es Salaam, Manyara and Dodoma. The meetings engaged CSOs from regions workings in ECD sector, key Government officials from Ministry level, Regional and District Council officials, Religious leaders and the Press;

The National ECD stakeholders meeting revealed that all 26 regions in mainland Tanzania have been reached during the implementation of nurturing care framework components Investment distribution across NCF domains with more than 80 interventions were implemented in Responsive Caregiving, adequate Nutrition, Safety and Security, adequate Health and opportunities to Early Learning;

TECDEN in collaboration with Ministry of Community Development Gender, Women and Special Groups supported the identification and recruitment of NM-ECDP Technical Working Group and conducted a first meeting of the Group as key instrument on implementation of the NME-CDP during which Terms of Reference and timeline of meetings for the instrument were developed;

The Science of early Childhood development (SECD) training, trained 80 ECD workforce (21 CSOs representatives, 20 Regional officials Social Welfare and Community Development Officers, 28 ECD champion journalist from Tanzania mainland and Zanzibar, 6 government official from Ministry sector-Ministry of Community Development, Gender, Women and Special Groups (MoCDGWSGs), Ministry of Education Science and Technology (MoEST), President Office Regional and Local Government (PO-RALG) and Prime Ministry Office (PMO) and 5 project staff;

Review of the implementation of "Mtoto Kwanza" Project which catalysed the implementation of National Multi-Sectoral Early Childhood Development Programme 2021/22 -2025/26. The review developed a roadmap toward review of the programme at regional level including participants of the meeting, agenda, proposed budget, reporting template, modality of conducting NM-ECDP review meeting.

5. PERFORMANCE FOR THE YEAR (Continued)

Main achievements and developments during the year (Continued)

The meeting engaged Tanzania Early Childhood Development Network (TECDEN), Children in Crossfire (CiC), Union of Tanzania Press Club (UTPC), sector Ministries- Ministry of Community Development, Gender, Women and Special Groups (MoCDGWSGs), President Office Regional Administrative and Local Government (PORALG), Prime Minister Office (PMO), Ministry of Education Science and Technology (MoEST) Ministry of Health (MoH) and Ministry of Home Affairs (MOHA) and CSOs and other ECD stakeholders;

Awareness creation through television and radio talk shows in 10 regions of Tabora, Morogoro, Lindi, Arusha, Manyara, Rukwa, Dar es Salaam, Kagera, Dodoma and Mbeya. The awareness session related to health and nutrition, early learning, child protection and responsible caregiving;

Tanzania ECD Network in collaboration with the key ECD sector Ministries, Children in Crossfire, Union of Tanzania Press clubs, regional team and the Regional Champion ECD Civil Societies conducted the NM-ECDP Regional review meetings across 10 regions. The meetings are organised by the Regional secretariat in collaboration with ECD stakeholders through the "Mtoto Kwanza" Project. The regional NM-ECDP review meetings engaged Ministry officials, Regional officials, District officials, CSOs, representatives from religious leaders and media houses. The meeting presented and discussed activities implemented by District councils and way forward toward NM-ECDP implementation;

In collaboration with key ECD sector Ministries, ECD stakeholders conducted National meetings including NM-ECDP stakeholders Group and Technical Working Group (NM-ECDP TWG) with attendance of 40 from CSOs, Networks, government officials, International Organisations and media houses. The meeting was used as a platform for stakeholders to launch Malezi Project III implemented by EGPAF as a scale up project to regional areas of Arusha and Tabora across all District councils. The meeting also presented updates from ECD stakeholders including UNICEF, "Mtoto Kwanza" partners, Ifakara Health Institute, Catholic Relief Services (CRS), WHO and D-Tree. These meetings resulted in approval of the developed National Multi-sectoral ECDP Advocacy strategy;

For the year 2022, TECDEN engaged in networking activities organised by Key ECD Ministries and ECD stakeholders across the country. These meeting included and organised by Ministry of Education Science and Technology (MOEST), Ministry of Community Development, Gender, Women and Special Groups (MOCDGWSGs), President's Office - Regional Administration and Local Government (PORALG) other organised by World Health Organisation (WHO), Plan International, Ifakara Health Institute (IHI), Benjamin Mkapa Foundation, SoS Village International, D-tree International and Hilton Conrad Foundation (HT).

6. TECDEN'S FUTURE PLANS

TECDEN plans to continue coordinating non-state actors in NMECDP's implementation. In this regard, the Organisation 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 which advocates for the implementation of NMECDP. The Strategy development has been coordinated by TECDEN in collaboration with ECD Actors is at the stage of its official launching. Similarly, TECDEN will coordinate the development and implementation of the Scorecard system which actually aims at measuring the performance of ECD indicators.

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

The financial position of the Organisation as at 31 December 2022 is set out on page 13 of these financial statements.

8. CORPORATE GOVERNANCE

The operations of TECDEN are directed by the Board of Directors which meets 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 Organisation's Constitution. The Board of Directors aims to have a minimum of 8 members.

The day-to-day activities of the Organisation 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 Organisation.

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

9. BOARD OF DIRECTORS

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

The Board of Directors is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative and for 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	Age	Qualification	Member Organisation
Mr. Mohamed Nkinde	Chairman	67	Director	MPDI(1)
Mr. Patrice Gwasma	Member	47	Director	COSITA(2)
Mr. Souleman Masoud	Member	57	Director	MRZ(3)
Mr. Charles Fungo	Member	45	Director	CRS(4)
Mr. Nguga Tepani	Member	58	Director	TANGO(5)
Mr. Selemani Idrisa	Member	53	Director	TECLA
Ms. Felistas Kalomo	Member	76	Director	CDO(6)
Ms. Mwajuma Rwebangila	Secretary	41	Director	

9. BOARD OF DIRECTORS (Continued)

(1) **MPDI –** Monduli Pastoralist Development Initiatives
(2) **COSITA** – Community Support Initiatives Tanzania
(3) **MRZ** – Madrasa Recourse Centre Zanzibar
(4) **CRS** – Catholic Relief Services
(5) **TANGO** – Tanzania Association of Non-Governmental Organisations
(6) **CDO** – Childhood Development Organisation

During the financial year the board convened 4 meetings.

10. MEMBERSHIP OF THE ORGANISATION

The Organisation's membership consists of organisations involved with Early Childhood Development. There are founding members and other membership types namely Regular Members, Affiliate Members and Strategic members. As at 31 December 2022, the Organisation had 58 active members (2021: 58).

11. RISK MANAGEMENT

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

- The effectiveness and efficiency of operations;
- The safeguard of the Organisation's assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse condition; and
- Responsible 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 Organisation system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively. The Board assessed the internal control systems throughout the financial year ended 31 December 2022 and is of the opinion that they met accepted criteria.

12. 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 Organisation's contributions to the defined contribution plan are charged to the statement of financial performance in the year to which they relate. The Organisation 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.

13. EMPLOYEE WELFARE (Continued)

Gender balance

The Organisation 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 Organisation had the following distribution of employees by gender.

Gender	2022	2021
Female	4	2
Male	4	2
Total	**8**	**4**

14. 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.

15. POLITICAL AND CHARITABLE DONATIONS

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

16. RELATED PARTY TRANSACTIONS

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

17. AUDITOR

ISHARA were appointed as external auditors of the Organisation for the year ended 31 December 2022.

By order of the Board

Mohamed Nkinde
Chairman

31 March 2023

Mwajuma Rwebangila
Executive Director

31 March 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

The Organisation'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 2022, 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 Organisation 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.

The annual financial statements have been examined by the Organisation's external auditors and their report is presented on pages 10 and 11.

The annual financial statements set out on page 12 to 33, which have been prepared on the going concern basis, were approved on behalf of the Board of Directors by:

Mohamed Nkinde	Mwajuma Rwebangila
Chairman	**Executive Director**
31 March 2023	31 March 2023

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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, John Edward Muyegeta, being the Head of Finance at Tanzania Early Childhood Development Network 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 of Tanzania Early Childhood Development Network as on 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 2914

31 March 2023

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 Organisation"), set out on pages 12 to 33 which comprise the statement of financial position as at 31 December 2022, the statements of receipts and payments and other comprehensive income, changes in members' fund and cash flows for the year then ended, and notes to the financial statements, comprising significant accounting policies and other explanatory information. The Comparative figures were audited by another auditor who issued an unqualified opinion.

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 2022, 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 Organisation 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 Directors' Report. 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 of directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Non-Governmental 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.

INDEPENDENT AUDITOR'S REPORT (Continued)

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

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 Organisation's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Organisation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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

31 March 2023

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STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 TZS '000	2021 TZS '000
Revenue			
Revenue from non-exchange transactions	5	1,088,031	303,965
Expenditure			
Program related costs	7	943,117	245,129
Administration costs	8	144,914	58,836
Total expenditure		1,088,031	303,965
Surplus before taxation	9	-	-
Taxation charge for the year	10	-	-
Surplus for the year		-	-

Notes and related statements forming part of these financial statements appear on pages 17 to 33.

Report of the Auditor – Pages 10 and 11.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER2022

	Notes	2022 TZS '000	2021 TZS '000
ASSETS			
Non – current assets			
Property and equipment	11	26,537	2,942
Current assets			
Grant receivable	12	-	11,197
Advances to Implementing Partners	13	91,002	
Other receivables	14	11,770	-
Cash and cash equivalents	15	209,719	11,832
Total assets		339,028	25,971
LIABILITIES			
Non – current liabilities			
Deferred capital grants	16	26,537	2,942
Deferred revenue grants	18	303,863	5,257
Total non-current liabilities		330,400	8,199
Current liabilities			
Accruals and other payables	17	89,627	98,771
Total liabilities		420,027	106,970
Net assets (total assets less total liabilities)		(80,999)	(80,999)
NET ASSETS/ EQUITY			
Accumulated deficit		(80,999)	(80,999)
Total net assets/ equity		(80,999)	(80,999)

The financial statements on pages 12 to 33 were approved and authorised for issue by the Board on 31 March 2023 and were signed on its behalf by:

Mohamed Nkinde	Mwajuma Rwebangila
Chairman	**Executive Director**

Notes and related statements forming part of these financial statements appear on pages 17 to 33.

Report of the Auditor – Pages 10 and 11.

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

	Accumulated deficit TZS '000
At 1 January 2021	80,999
Surplus for the year	-
At 31 December 2021	80,999
At 1 January 2022	80,999
Surplus for the year	-
At 31 December 2022	80,999

Notes and related statements forming part of these financial statements appear on pages 17 to 33.

Report of the Auditor – Pages 10 and 11.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 TZS '000	2021 TZS '000
Cash flows from operating activities			
Surplus before taxation		-	-
Adjustments for non-cash movements:			
Depreciation charge on property and equipment	11	4,934	832
Net movement in deferred capital grants	16	23,595	2,368
Net movement in deferred revenue grants	18	298,606	5,257
Surplus from operations		327,135	8,457
Changes in working capital items:			
Change in grant receivable	12	11,197	-
Change in advances to Implementing Partners	13	(91,002)	-
Change in other receivables	14	(11,770)	(1,477)
Change in trade and other payables	17	(9,144)	6,696
Cash generated from operations		226,416	13,676
Cash flows from investing activities			
Acquisition of property and equipment	11	(28,529)	(3,200)
Net increase in cash and cash equivalents during the year		197,887	10,476
Cash and cash equivalents at beginning of the year		11,832	1,356
Cash and cash equivalents at the end of the year	15	209,719	11,832

Notes and related statements forming part of these financial statements appear on pages 17 to 33.

Report of the Auditor – Pages 10 and 11.

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

	Final budget TZS '000	Actual amount on accrual basis TZS '000	Performance difference TZS '000
Receipts	1,405,904	1,080,753	325,151
Payments			
Programs related costs	1,235,862	1,060,242	175,620
Administration costs	170,042	151,812	18,230
	1,405,904	1,212,054	193,850
Capital expenditure			
Property and equipment	28,528	28,528	-

Explanation for the variations

The 14% variation between expenditure and budget (TZS 193.9 million) is merely a timing difference as a result of unspent funds sub-granted to local Civil Society Organisations (CSOs) whose contracts of implementation end by 31 March 2023. Other reasons for the variation include unspent funds on "Mtoto Kwanza" Program quarterly review meetings planned to take place in early 2023 as well as unspent funds on Strengthening Advocacy Capacity Program financed by Africa Early Childhood Network (AfECN) covering the period December 2022 to December 2023.

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.

This is the first year of adoption of IPSAS by Tanzania Early Childhood Development Network. This is a change in policy as the Organisation was using IFRS before. The Impact of migrating to IPSAS are;

(i) Revenue and capital grants are now accounted for in accordance with IPSAS 23 as opposed to IAS 20 when reporting under the previous framework. However, due to the terms and conditions of the grant agreements, this has not resulted in any change in financial reporting in respect f grants for the year ended 31 December 2022.

(ii) Comparable information has been included because the Organisation was using accrual basis framework i.e. International Financial Reporting Standards (IFRS).

(b) Changes in accounting policy and disclosures

(i) New standards 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 2021.

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

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

Non-current assets are 'held for sale' either individually or as part of a disposal group when the entity has the intention to sell them, they are available for immediate sale and disposal within 12 months is highly probable. Assets and liabilities of a controlled entity are classified as held for sale if the controlling entity parent is committed to a plan involving loss of control of the controlled entity, regardless of whether the entity will retain a non-controlling interest after the sale. Non-current assets 'held for sale' are measured at the lower of the carrying amount and fair value less costs to sell (or costs to distribute). The non-current assets are no longer depreciated.

Effective date: reporting periods beginning on or after 01 January 2025.

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 Organisation and can be measured reliably. Donors grants are not recognised until there is reasonable assurance that the Organisation 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 Organisation with no future related costs are recognised in surplus or deficit in the period in which they become receivable.

(d) Property and 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 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 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 %
Office equipment	12.5
Computers and accessories	20
Furniture and fittings	12.5

During the year, the Organisation 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Property and 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 utilised 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 revenue

Deferred Revenue 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.

Provisions are recognised when:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Employee benefit (Continued)

- 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

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

(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 Tanzanian Shillings (“TZS”) 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.

(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

<u>Financial assets</u>

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 Organisation 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.

(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 Organisation 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 Organisation neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(j) Financial instruments (Continued)

(iii) Derecognition (Continued)

Financial liabilities

The Organisation derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Organisation 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 Organisation 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 Organisation recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost.

The Organisation 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 Organisation 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 Organisation's historical experience and informed credit assessment, that includes forward-looking information.

The Organisation 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.

(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 Organisation 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 Organisation 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 Organisation has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Usually, the Organisation 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 Organisation 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 Organisation’s procedures for recovery of amounts due.

Non-financial assets

At each reporting date, the Organisation 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

(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 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 recognised 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.

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.

(a) Market risk

The Organisation is exposed to foreign exchange risk arising from grants receivable/received, purchases, assets and liabilities denominated in currencies other than the functional currency of the Organisation, primarily with respect to United States Dollars.

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

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Liquidity risk

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

The Organisation 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	Up to 2 year	Over 2 years	Total
At 31 December 2022	**TZS '000**	**TZS '000**	**TZS '000**	**TZS '000**
Financial assets				
Cash and cash equivalents (Note 15)	209,719	-	-	209,719
Financial liabilities				
Accrued expenses (Note 17)	5,253	-	-	5,253
Trade payables (Note 17)	2,025	-	-	2,025
Total financial liabilities	7,278	-	-	7,278
Net liquidity gap	202,441	-	-	202,441
At 31 December 2021				
Financial assets				
Cash and cash equivalents (Note 15)	11,832	-	-	11,832
Financial liabilities				
Accrued expenses (Note 17)	11,422	-	-	11,422
Other payables (Note 17)	5,225	-	-	5,225
Total financial liabilities	16,647	-	-	16,647
Net liquidity gap	(4,815)	-	-	(4,815)

(c) 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	2021
	TZS '000	**TZS '000**
Staff advances (Note 14)	(94)	-
Bank balances (Note 15)	208,363	11,832
	208,269	11,832

5. REVENUE FROM NON-EXCHANGE TRANSACTIONS

	2022 TZS '000	2021 TZS '000
The African Early Childhood Network [Note 18(b)]	11,166	12,072
Catholic Relief Services [Note 18(b)]	1,354	1,896
Aga Khan Development Network [note 18(b)]	-	10,600
Amani Girls Home [note 18(b)]	500	7,500
International Rescue Committee [note 18(b)]	-	10,000
World Vision Tanzania [Note 18(b)]	-	2,000
Children in Crossfire [Note 18(b)] – fund receipts	445,253	-
Children in Crossfire – direct payments	618,704	259,870
Capital grants utilisation [Note 16(b)]	4,934	-
Other Donors/ Stakeholders	6,120	27
	1,088,031	303,965

6. STAFF COSTS

(a) Program staff

	2022 TZS '000	2021 TZS '000
Salaries and wages	381,090	141,997
Social security contributions	38,109	30,096
Skills and Development Levy	-	3,308
Health insurance premium	5,760	-
Workers' Compensation Fund (WCF)	2,000	1,220
	426,959	176,621

(b) Support staff

	2022 TZS '000	2021 TZS '000
Salaries and wages	40,808	-
Social security contributions	4,081	-
Health insurance premium	1,404	-
Workers' Compensation Fund (WCF)	311	-
	46,604	-

7. PROGRAM RELATED COSTS

	2022 TZS '000	2021 TZS '000
NM-ECDP Multi-Sectoral Technical Working Group	5,285	-
TECDEN participation in other ECD coordination processes	22,365	-
National ECD Task Force	12,395	-
Engaging sub-national local CSO ECD Champions	6,528	-
Engaging sub-national local CSO ECD Champions	14,923	-
Coordination/ capacity-building of local CSO ECD Champions	183,732	-
Performance Management	137,546	-
Regional Bi-annual NM-ECDP progress review	42,499	-
Championing sub-nationally National ECD Advocacy agenda	56,452	-
Global Leaders Programme Sponsorship	20,091	-
Development of the NM-ECDP Advocacy strategy	11,693	-
Other coordination Meetings	2,649	68,508
Program staff costs [Note 6(a)]	426,959	176,621
	943,117	245,129

7. PROGRAM RELATED COSTS (CONTINUED

Legend:

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

8. ADMINISTRATION COSTS

	2022 TZS ‘000	2021 TZS ‘000
Board Meetings and Annual General Meeting	17,165	-
Review of Constitution	16,591	-
Strengthening financial management	14,106	-
Rental expense	13,200	34,437
Security charges	7,788	-
Printing & postage expenses	515	4,116
Supplies & material charges	10,238	6,010
Travel & transportation costs	1,313	-
Telephone & internet expenses	7,184	-
Compliance charges	2,167	12,755
Depreciation charges	4,934	832
Network equipment costs	876	-
Bank charges	2,233	686
Support staff costs [Note 6(b)]	46,604	-
	144,914	58,836

9. SURPLUS BEFORE TAXATION

The surplus before taxation is arrived at after charging the following:

	2022 TZS’000	2021 TZS ‘000
Auditor’s remuneration	5,253	1,472
Depreciation and amortisation	4,934	192
	10,187	1,664

10. TAXATION CHARGE

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

11. PROPERTY AND EQUIPMENT

	Computers & accessories TZS '000	Furniture & fittings TZS '000	Office equipment TZS '000	Total TZS '000
Cost				
Balance at 1 January 2021	958	-	-	958
Additions during the year	3,200	-	-	3,200
Balance at 31 December 2021	4,158	-	-	4,158
Balance at 1 January 2022	4,158	-	-	4,158
Additions during the year	14,556	12,078	1,895	28,529
Balance at 31 December 2022	18,714	12,078	1,895	32,687
Depreciation				
Balance at 1 January 2021	384	-	-	384
Charge during the year	832	-	-	832
Balance at 31 December 2021	1,216	-	-	1,216
Balance at 1 January 2022	1,216	-	-	1,216
Charge during the year	3,341	1,377	216	4,934
Balance at 31 December 2022	4,557	1,377	216	6,150
Net book value				
31 December 2021	2,942	-	-	2,942
31 December 2022	14,157	10,701	1,679	26,537

12. GRANT RECEIVABLE

(a) Composition of grant receivable

Composition of grant receivables as at 31 December 2022 is as follows:

	2022 TZS '000	2021 TZS '000
Better Way Foundation (through Children in Crossfire)	-	11,197

Grant receivable relates to audit fee for the years 2014 to 2020 supported by Better Way Foundation through Children in Crossfire. Whilst the former is a not-for-profit Organisation based in the United States of America, the latter does similar business and is locally based.

12. GRANT RECEIVABLE (Continued)

(b) Movement in grant receivable

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

	2022 TZS '000	2021 TZS '000
Balance at 1 January	11,197	9,720
(Payment)/ addition during the year	(11,197)	1,477
Balance at 31 December	-	11,197

13. ADVANCES TO IMPLEMENTING PARTNERS

(a) Composition of advances to Implementing Partners

During the year ended 31 December 2022, The Organisation signed Project Implementation Contracts with entities listed in the Table below to assist it 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 2022 from disbursements done during the year. Activities in respect of those balances will happen during the year ending 31 December 2023.

Composition of advances to Implementing Partners as at 31 December 2022 is as follows:

	2022 TZS '000	2021 TZS '000
Action for Community Care (ACC)	10,273	-
Bright Jamii Initiatives (BJI)	9,539	-
Childhood Development Organisation (CDO)	11,662	-
Jikomboe Integral Development Association (JIDA)	9,592	-
Lindi Women Paralegal Aid Centre (LIWOPAC)	9,651	-
Tanzania Development and AIDS Prevention Association (TAPEDA)	8,178	-
Vijana Pambana Pata Maendeleo Rukwa (VIPAMARU)	9,441	-
Community Support Initiatives Tanzania (COSITA)	8,924	-
Kikundi cha Huduma Majumbani Mbeya (KIHUMBE)	2,425	-
Maasai Pastoralist Development Initiatives (MPDI)	11,317	-
	91,002	-

14. OTHER RECEIVABLES

	2022 TZS '000	2021 TZS '000
Prepayments	11,864	-
Staff advances	(94)	-
	11,770	-

15. CASH AND CASH EQUIVALENTS

	2022 TZS '000	2021 TZS '000
Cash at bank	208,363	11,832
Cash on hand	1,356	-
	209,719	11,832

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 2022:

	2022 TZS '000	2021 TZS '000
Computers and accessories (Note 11)	14,157	2,942
Furniture and fittings (Note 11)	10,701	-
Office equipment (Note 11)	1,679	-
	26,537	2,942

(b) Movement in deferred capital grants

Movement in deferred capital grants during the year ended 31 December 2022 is as follows:

	2022 TZS '000	2021 TZS '000
Balance at 1 January	2,942	574
Additions during the year (Note 11)	28,529	3,200
Amortisation for the year (Note 5)	(4,934)	(832)
Balance at 31 December	26,537	2,942

17. TRADE AND OTHER PAYABLES

Trade payables	2,025	5,225
Accrued expenses	5,253	11,197
Provisions	82,349	82,349
	89,627	98,771

18. DEFERRED REVENUE GRANTS

Composition of deferred revenue grants at 31 December2022 is as follows:

	2022 TZS '000	2021 TZS '000
African Early Childhood Network	93,468	2,578
Catholic Relief Services	-	1,354
Aga Khan Development Network	-	825
Amani Girls Home	-	500
Children in Crossfire	210,395	-
	303,863	5,257

18. DEFERRED REVENUE GRANTS (Continued)

(b) Movement in deferred revenue grants

Movement of deferred revenue grants during the year ended 31 December 2022 is as follows:

	AfECN[1] TZS '000	CRS[2] TZS '000	ADN[3] TZS '000	AGH[4] TZS '000	IRC[5] TZS '000	WVT[6] TZS '000	CiC[7] TZS '000	Total TZS '000
Receipt during the year	14,650	3,250	11,425	8,000	10,000	2,000	-	49,325
Utilisation during the year	(12,072)	(1,896)	(10,600)	(7,500)	(10,000)	(2,000)	-	(44,068)
Balance at 31 December 2021	2,578	1,354	825	500	-	-	-	5,257
Balance at 1 January 2022	2,578	1,354	825	500	-	-	-	5,257
Receipt (refund) during the year	102,056	-	(825)	-	-	-	655,648	756,879
Utilisation during the year (Note 5)	(11,166)	(1,354)	-	(500)			(445,253)	(458,273)
Balance at 31 December 2022	93,468	-	-	-	-	-	210,395	303,863

Details of grant activity during the year is as follows:

1. **African Early Childhood Network (AfECN):** During the year ended 31 December 2022 AfECN donated TZS 102 million (2021 TZS 15 million) to support the following (i) preparation of Early Childhood Development (ECD)Advocacy Strategy Development Workshop in Morogoro, (ii) ECD advocacy team, and (iii) National Multi-Sectoral Early Childhood Development Program (NMECDP) taskforce meeting in Dodoma.

2. **Catholic Relief Services (CRS):** CRS paid office rental expenditure of TZS 3 million on behalf of the Organisation during the year ended 31 December 2021. However, when the Organisation moved to new offices during the same year before the expiry of the lease period, the landlord refunded unutilised rent of TZS 1,354,000 on which was utilised during the year ended 31 December 2022.

3. **The Aga Khan Development Network (ADN):** The ADN donated TZS 11 million as part of contribution to support expenses towards the event to launch the National Multi-Sectoral Early Childhood Development Program (NMECDP) in Dodoma during the year. The support was meant to meet costs for hall hiring, hall decoration, printing of badges, brass band hiring and meal costs.

4. **Amani Girls Home (AGH):** The AGH donated TZS 8 million to support meal costs for the event to launch the National Multi-Sectoral Early Childhood Development Program (NM-ECDP) in Dodoma, in the year 2021. Remaining balance from the year 2021 was utilised in related activities by the Organisation during the year ended 31 December 2022.

18. DEFERRED REVENUE GRANTS (Continued)

(b) Movement in deferred revenue grants (Continued)

5. **International Rescue Committee (IRC):** The IRC also donated TZS 10 million during the year 2021 to support meal costs at the National Multi-Sectoral Early Childhood Development Program (NMECDP) launching event as already mentioned in (3) and (4) above.

6. **World Vision Tanzania (WVT):** TECDEN received TZS 2 million from WVT to support the advocacy strategy workshop with Members of Parliament during the year 2021.

7. **Children in Crossfire (CiC):** During the year ended 31 December 2022, CiC donated TZS 655 million, to support “Mtoto Kwanza” Project which aims to catalyse the implementation of the National Multisectoral ECD programme (NM-ECDP). CiC also made direct payments amounting to TZS 618.7 million during the year ended 31 December 2022 (2021: TZS 259.9 million) for costs relating to “Mtoto Kwanza” Program on behalf of the Organisation.

19. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Directors are not aware of any significant contingent liabilities and capital commitments as at 31 December 2022. (2021: NIL).

20. COMPARATIVE INFORMATION

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

21. RELATED PARTY TRANSACTIONS

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

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

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

	2022 **TZS '000**	**2021** **TZS '000**
Remuneration to Key Management Personnel		
Salaries and other short-term benefits	207,040	72,000

22. EVENTS AFTER THE REPORTING PERIOD

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