

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

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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 2025

The Directors have the pleasure to present their report together with the audited financial statements for the year ended 31 December 2025, 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 practices 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 2025 of TZS 5.8 million (2024: 3.9 million). TECDEN spent funds amounting to TZS 2.8 billion for the year ended 2025 (2024: TZS 2.8 billion) to undertake various activities as discussed in this Section. The detailed financial performance of the Network, during the year, is set out on page 12 of the financial statements.

This Section provides a detailed account of the implementation progress of the TECDEN annual plan for 2025. It highlights significant steps in advancing Early Childhood Development (ECD) initiatives across the country, demonstrating TECDEN’s commitment to influencing 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 2025 (Continued)

4. PERFORMANCE FOR THE YEAR (Continued)

During the year ended 31 December 2025, the Tanzania Early Childhood Development Network (TECDEN) continued implementation of its Strategic Plan (2024–2028), focusing on three strategic objectives: (i) data-driven advocacy to influence policies and improve Early Childhood Development (ECD) service delivery; (ii) strengthening the capacity of members and ECD actors; and (iii) enhancing institutional capacity for sustainable coordination of ECD interventions.

Set out below is the progress against TECDEN's 2025 annual plan, with a focus on Early Childhood Development (ECD) initiatives, highlighting key achievements under each strategic objective:

Strategic Objective 1: Data-Driven Advocacy to Influence Policies and Improve ECD Service Delivery

National and subnational ECD Advocacy:

TECDEN strengthened evidence-based advocacy through completion and dissemination of the Childcare Ecosystem Report (2024/2025), progress in the Public Expenditure Review of the National Multisectoral Early Childhood Development Programme (NM-ECDP), and advancement of the Gender Equality and Social Inclusion (GESI) assessment.

A key milestone during the year was the successful advocacy for inclusion of ECD in the Tanzania Development Vision 2050, positioning ECD as a national development priority. TECDEN also convened the Tanzania Malezi Summit 2025, which enhanced policy dialogue, multisectoral collaboration, and commitment to ECD financing.

At the subnational level, TECDEN coordinated NM-ECDP review meetings across all regions, engaging approximately 1,500 stakeholders and contributing to increased integration of ECD priorities into local government plans, including mobilization of approximately TZS 100 million in Kahama Municipal Council.

Advocacy efforts were further supported through 121 media engagements across 25 regions, alongside continued coordination of national technical and stakeholder platforms. Progress was also made in the development of the National Multisectoral ECD Scorecard, including validation processes, execution of data-sharing agreements, and training of over 200 coordinators.

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

TECDEN implemented capacity-building initiatives targeting Civil Society Organizations (CSOs), Regional Coordination Units, and frontline ECD workers.

Through the Mtoto Kwanza Project, the Network conducted capacity assessments and provided technical support in governance, leadership, and coordination. Training was delivered to over 2,550 Community Health Workers and Community Case Workers to enhance service delivery at the community level.

In addition, TECDEN supported training of 220 daycare providers in Morogoro and contributed to the development and dissemination of the National Comprehensive ECD Training Package and related tools.

The Malezi Centre Project was launched to expand community-based ECD services, with plans to establish 30 centres across 15 regions. Further initiatives included mentorship visits, knowledge-sharing platforms, and establishment of a Trainers-of-Trainers database.

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2025 (Continued)

4. PERFORMANCE FOR THE YEAR (Continued)

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

TECDEN strengthened its governance and institutional systems through regular Board meetings and successful convening of the Annual General Meeting (AGM).

Key achievements included recruitment of a Monitoring, Evaluation, Research and Learning (MERL) Officer and review of core policies, including Human Resources, Finance, and Procurement, to enhance operational efficiency and align with best practices.

The Network also progressed development of key frameworks, including the Communication Policy, Resource Mobilization Strategy, Member Engagement Strategy, and Monitoring and Evaluation Framework.

Membership and partnerships continued to expand, with TECDEN maintaining over 140-member organizations and strengthening collaboration with national, regional, and international stakeholders. Operational capacity was further enhanced to support coordination of national ECD platforms and implementation of the NM-ECDP.

5. TECDEN'S FUTURE PLANS

TECDEN plans to continue coordinating non-state actors in the implementation of the National Multisectoral Early Childhood Development Programme (NM-ECDP) at both National and Sub-national levels. In this regard, the Network will continue managing implementation of the Mtoto Kwanza Project across all 26 regions of Mainland Tanzania.

TECDEN will further continue to coordinate implementation of the National ECD Advocacy Strategy, focusing on strengthening multisectoral coordination, enhancing policy engagement, and promoting increased investment in Early Childhood Development (ECD) services.

Similarly, TECDEN will support the National rollout and operationalisation of the National Multisectoral ECD Scorecard to strengthen performance monitoring, accountability, and evidence-based planning across sectors and administrative levels.

In addition, TECDEN will continue implementation of the Strengthening Tanzania's Opportunities for Early Childhood Development Services (STOS) Project, aimed at establishing community-based ECD centres across 15 regions, while advancing Gender Equality and Social Inclusion (GESI) initiatives and supporting the Public Expenditure Review process to enhance resource allocation and accountability. TECDEN also plans to expand capacity strengthening initiatives through provision of technical support, training, mentorship, and knowledge-sharing platforms targeting members and Regional Coordination Units, while promoting the use of National ECD training packages and tools.

Furthermore, the Network will continue implementing its Resource Mobilisation Strategy to diversify funding sources and strengthen institutional sustainability, while enhancing monitoring, evaluation, research, and learning systems to improve performance tracking and reporting.

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 a 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 2025 is set out on page 13 of these financial statements.

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2025 (Continued)

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 Eight 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 of the date of this report, were:

Name	Position	Age	Qualification	Member Organisation
Ms. Elizabeth Maginga	Chairperson	43	MPH; Political Science and Sociology	We Care Foundation ⁽¹⁾
Ms. Mwajuma Rwebangila	Secretary	43	Director	Not applicable
Mr. Patrice Gwasma	Member	49	Finance	COSITA ⁽²⁾
Mr. Charles Fungo	Member	47	Project Management, Budget Management, ECD and Capacity Building	CRS ⁽³⁾
Ms. Felistas Kalomo	Member	78	Agriculture and Nutrition	CDO ⁽⁴⁾
Mr. Onesmo Olengurumwa	Member	46	Advocate Lawyer	THDRC ⁽⁵⁾
Mr. Fadhili Mtanga	Member	45	Community Development and Project Management	HIMSO ⁽⁶⁾
Ms. Pauline Majogolo	Member	52	Social Work	NELICO ⁽⁷⁾

(1) We Care Foundation

(2) COSITA – Community Support Initiatives Tanzania

(3) CRS – Catholic Relief Services

(4) CDO – Childhood Development Organisation

(5) THDRC - Tanzania Human Rights Defenders Coalition

(6) HIMSO - Health and Insurance Management Services Organisation

(7) NELICO – New Light Children Centre Organisation

During the financial year ended 31 December 2025, the Board convened 4 meetings.

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2025 (Continued)

9. MEMBERSHIP OF THE NETWORK

The Network'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 2025, the Network had 46 Regular, 49 Affiliate, and 20 Strategic Active members (2024: 122).

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 conditions; 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 2025 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 statutorily 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 the Network's 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 the ability to discharge duties. The Network had the following distribution of employees by gender.

Gender	2025	2024
Female	5	5
Male	<u>7</u>	<u>6</u>
Total	<u>12</u>	<u>11</u>

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2025 (Continued)**

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 disabilities in recruitment.

13. POLITICAL AND CHARITABLE DONATIONS

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

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 2025.

By order of the Board

Elizabeth Maginga
Chairperson



13th April.....2026

Mwajuma Rwebangila
Executive Director &
Secretary



13th April.....2026

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

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

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 2025, 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



13th April2026

Mwajuma Rwebangila
**Executive Director &
Secretary**



13th April2026

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

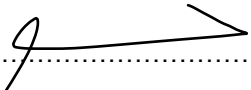
**DECLARATION OF HEAD OF FINANCE
FOR THE YEAR ENDED 31 DECEMBER 2025**

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 by 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 2025 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

.....13 April,....2026

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 12 to 38 which comprise the statement of financial position as at 31 December 2025, 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 2025, 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 the 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 of the 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

.....13 April... 2026

NBAAVN: 25ACPA1707TOUHN1WX

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Notes	2025 TZS '000	2024 TZS '000
Revenue			
Revenue from non-exchange transactions	5(a)	2,603,619	2,570,166
Other income	5(b)	<u>170,367</u>	<u>239,677</u>
		<u>2,773,986</u>	<u>2,809,843</u>
Expenditure			
Program-related costs	6	2,444,239	2,475,421
Administration costs	8	<u>323,976</u>	<u>330,548</u>
Total expenditure		<u>2,768,215</u>	<u>2,805,969</u>
Surplus before taxation		5,771	3,874
Taxation charge for the year	10	<u>-</u>	<u>-</u>
Surplus for the year		<u>5,771</u>	<u>3,874</u>

Notes and related statements forming part of these financial statements appear on pages 16 to 38.

Report of the Auditor – Pages 10 and 11.

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025**


	Notes	2025 TZS '000	2024 TZS '000
ASSETS			
Non-current assets			
Property and equipment	11	46,175	34,969
Current assets			
Grant receivable	12	-	25,506
Advances to Implementing Partners	13	263,342	235,341
Other receivables	14	72,102	13,982
Cash and cash equivalents	15	2,359,200	1,879,888
Total current assets		2,694,644	2,154,717
Total assets		2,740,819	2,189,686
LIABILITIES			
Non-current liabilities			
Deferred capital grants	16	46,175	34,969
Deferred revenue grants	18	2,654,336	2,110,337
Total non-current liabilities		2,700,511	2,145,306
Current liabilities			
Accruals and other payables	17	108,322	118,165
Total liabilities		2,808,833	2,263,471
Net assets		(68,014)	(73,785)
NET ASSETS/ EQUITY			
Accumulated deficit		(68,014)	(73,785)
Total net assets/ equity		(68,014)	(73,785)

The financial statements on pages 12 to 38 were approved and authorised for issue by the Board on2026 and were signed on its behalf by:

Elizabeth Maginga
Chairperson


13th April.....2026

Mwajuma Rwebangila
Executive Director &
Secretary


13th April.....2026

Notes and related statements forming part of these financial statements appear on pages 16 to 38.

Report of the Auditor – Pages 10 and 11.

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

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

	Accumulated deficit TZS '000
At 1 January 2024	(77,659)
Surplus for the year	<u>3,874</u>
At 31 December 2024	<u>(73,785)</u>
At 1 January 2025	(73,785)
Surplus for the year	<u>5,771</u>
At 31 December 2025	<u>(68,014)</u>

Notes and related statements forming part of these financial statements appear on pages 16 to 38.

Report of the Auditor – Pages 10 and 11.

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

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

		2025	2024
	Notes	TZS '000	TZS '000
Cash flows from operating activities			
Surplus before taxation		5,771	3,874
<i>Adjustments for non-cash items:</i>			
Depreciation charge on property and equipment	11	12,897	8,256
Net movement in deferred capital grants	16	11,207	1,467
Net movement in deferred revenue grants	18	<u>543,999</u>	<u>746,236</u>
Surplus from operations		573,874	759,833
<i>Changes in working capital items:</i>			
Change in grant receivable	12	25,506	(17,092)
Change in advances to Implementing Partners	13	(28,001)	(6,009)
Change in other receivables	14	(58,121)	4,156
Change in trade and other payables	17	<u>(9,843)</u>	<u>13,692</u>
Cash (used in)/ generated from operations		<u>(503,415)</u>	<u>754,580</u>
Cash flows from investing activities			
Acquisition of property and equipment	11	<u>(24,103)</u>	<u>(9,723)</u>
Net increase in cash and cash equivalents during the year		479,312	744,857
Cash and cash equivalents at the beginning of the year		<u>1,879,888</u>	<u>1,135,031</u>
Cash and cash equivalents at the end of the year	15	<u><u>2,359,200</u></u>	<u><u>1,879,888</u></u>

Notes and related statements forming part of these financial statements appear on pages 16 to 38.

Report of the Auditor – Pages 10 and 11.

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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 the presentation of the 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

A number of relevant amendments to Standards and new Standards became effective during the year ended 31 December 2025, and were adopted by the Network. However, their adoption did not result in any major impact to the Network's financial reporting. Set out below are the amendments to the relevant Standard and the new Standard:

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 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.

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(i) New Standards, amendments, and clarifications to existing standards that were effective during the year and adopted by the Network (Continued)

IPSAS 46 – Measurement (Continued)

(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 specialised 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.

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

It introduces improvements to the 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.

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(ii) New Standards, amendments, and clarifications to existing standards that were not effective during the year and not 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.

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.

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(ii) 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 (Continued)

(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 2025 (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. Donor 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 that 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

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 2025 (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Equipment (Continued)

Impairment tests are performed on equipment when there is an indicator that it 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 result in a present obligation and meet the 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.

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

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Employee benefit (Continued)

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.

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

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (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 fair value through net assets/equity if 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.

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

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Financial instruments (Continued)

(iii) *Derecognition (Continued)*

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.

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.

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (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)

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.

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.

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (Continued)

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.

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

(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.

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (Continued)

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Liquidity risk (Continued)

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 2025				
Financial assets				
Advances to Implementing Partners (Note 13)	261,017	2,325	-	263,342
Interest receivables (Note 14)	42,170	-	-	42,170
Cash and cash equivalents (Note 15)	2,359,200	-	-	2,359,200
Total financial assets	2,662,387	2,325	-	2,664,712
Financial liabilities				
Accrued expenses (Note 17)	24,847	-	-	24,847
Trade payables (Note 17)	738	-	-	738
Total financial liabilities	25,585	-	-	25,585
Net liquidity gap	2,636,802	2,325	-	2,639,127
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	2,138,410	2,325	-	2,140,735
Financial liabilities				
Accrued expenses (Note 17)	1,970	-	-	1,970
Trade payables (Note 17)	33,846	-	-	33,846
Total financial liabilities	35,816	-	-	35,816
Net liquidity gap	2,102,594	2,325	-	2,104,919

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (Continued)**

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(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.

The amount that best represents the Network's maximum exposure to credit risk at 31 December 2025 is made up as follows:

	Gross carrying amount 2025 TZS '000	Credit loss allowance 2025 TZS '000	Amortised cost 2025 TZS '000	Gross carrying amount 2024 TZS '000	Credit loss allowance 2024 TZS '000	Amortised cost 2024 TZS '000
Grant receivable (Note 12)	-	-	-	25,506	-	25,506
Advances to Implementing Partners (Note 13)	265,667	(2,325)	263,342	237,666	(2,325)	235,341
Interest receivables (Note 14)	42,170	-	42,170	-	-	-
Bank balances (Note 15)	2,359,200	-	2,359,200	1,879,339	-	1,879,339
	<u>2,667,037</u>	<u>(2,325)</u>	<u>2,664,712</u>	<u>2,142,511</u>	<u>(2,325)</u>	<u>2,140,186</u>

5. REVENUE

(a) Revenue from non-exchange transactions

	2025 TZS '000	2024 TZS '000
Revenue grants:		
The African Early Childhood Network [Note 18(b) and Note 12(b)]	142,861	185,574
Global School Foundation [Note 18(b)]	65,417	7,160
Better Way Foundation [Note 18(b)]	-	258,451
Spark Health Africa [Note 18(b)]	107,446	114,138
Conrad N. Hilton Foundation [Note 18(b)]	1,452,092	431,799
Children in Crossfire [Note 18(b)]	569,717	1,564,388
Other stakeholders	-	400
Path [Note 18(b)]	24,028	-
Echidna Giving Fund [Note 18(b)]	229,161	-
Sub-total – revenue grants	<u>2,590,722</u>	<u>2,561,910</u>
Capital grants utilised [Note 16(b)]	<u>12,897</u>	<u>8,256</u>
Grand total – revenue from non-exchange transactions	<u>2,603,619</u>	<u>2,570,166</u>

(b) Other revenue

Interest income (bank balances and fixed deposit) *	44,331	3,536
EAR conference	-	213,975
Other revenue	10,603	11,756
Subscription from member organisations	7,950	10,410
Tanzania Malezi Summit Contribution**	107,483	-
Total other revenue	<u>170,367</u>	<u>239,677</u>

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (Continued)

5. REVENUE (Continued)

* During the year ended 31 December 2025, the organisation invested TZS 1.04 billion in a fixed deposit account with Exim Bank Tanzania Limited at an interest rate of 10% per annum, using funds received from Echidna Giving Fund.

** During the year ended 31 December 2025, the Tanzania Malezi Summit was held in Tanzania. TECDEN was the main organiser and collaborated with CiC to facilitate the conference using funding from the Hilton Foundation. The conference was attended by over 1,000 participants, of whom 154 paid an entry fee of TZS 150,000 each. In addition, four donors contributed direct funding to the organisation amounting to TZS 70 million, while other partners contributed a further TZS 14 million.

	2025 TZS '000	2024 TZS '000
6. PROGRAM-RELATED COSTS		
TECDEN's participation in other ECD coordination processes	80,291	56,903
National ECD Task Force	27,154	9,789
Engaging sub-national local CSO ECD Champions	32,406	27,901
Engaging sub-national local CSO ECD Champions	-	24,697
Coordination/ capacity-building of local CSO ECD Champions	-	146,619
Performance Management	143,453	438,199
Regional Bi-annual NM-ECDP progress review	162,033	338,969
Field Supportive supervision for Local CSO Champion	16,039	7,520
Championing the sub-national National ECD Advocacy agenda	118,085	260,586
Global Leaders Programme Sponsorship	544	-
Other Coordination Meeting	4,621	505
Strengthening Advocacy Capacity (SAC)	12,175	32,292
NMCDP Score Card	462,346	106,778
EAR conference	-	198,356
Tanzania Childcare Campaign Roadmap	180	60,999
Spark Health Africa – ECD Coordination	107,446	114,104
Global School Forum expenses	53,331	7,160
ECD System strengthening	241,771	2,230
Tanzania Malezi Summit	211,836	-
ECCE Report writing	8,252	-
ECD financing at annual national and sub-national budgets	11,387	-
GESI in the development of the NM-ECDP II	5,103	-
TECDEN Participation in Regional Review Meetings	18,666	-
STOS – Malezi Centre Establishment	47,106	-
ECDAN Care Project	8,201	-
CHODAWU Care Project expenses	9,330	-
Program staff costs [Note 7(a)]	608,881	563,648
Unrealised foreign exchange losses/ (gain) – net	51,805	78,041
Realised Gains/Loss	1,797	125
	2,444,239	2,475,421

Legend:

CSO:	Civil Society Organisations
ECCE:	Early Childhood Care and Education
ECD:	Early Childhood Development
GESI:	Gender Equality and Social Inclusion
NM-ECDP:	National Multi-Sectoral Early Childhood Development Program
STOS:	Strengthening TECDEN Operations and Sustainability

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (Continued)**

	2025	2024
	TZS '000	TZS '000
7. Staff Costs		
(a) Program staff		
Salaries and wages	518,285	484,257
Social security contribution	50,601	48,426
Skills and Development Levy	20,404	18,093
Health insurance premium	13,613	10,254
Workers Compensation Fund	2,616	2,618
HESLB	3,362	-
	<u>608,881</u>	<u>563,648</u>
(b) Support staff		
Salaries and wages	129,571	123,430
Social security contribution	12,957	12,343
Health insurance premium	3,403	4,916
Skills and Development Levy	5,101	-
Workers Compensation Fund	654	667
	<u>151,686</u>	<u>141,356</u>
8. ADMINISTRATION COSTS		
Board of Directors meetings and Annual General Meeting	40,035	69,052
TECDEN organisational review	-	5,500
Strategic planning process costs	-	15,646
Strengthening financial management	60,311	35,960
Rental expense	13,800	13,800
Security charges	8,496	8,496
Printing & postage expenses	964	5,232
Supplies & material charges	17,653	18,902
Travel & transportation costs	5,734	2,723
Telephone & internet expenses	8,750	2,355
Compliance charges	1,388	253
Depreciation charges	12,897	8,256
Bank charges	2,262	3,017
Support staff costs [Note 7(b)]	151,686	141,356
	<u>323,976</u>	<u>330,548</u>
9. SURPLUS BEFORE TAXATION		
The surplus before taxation is arrived at after charging the following:		
	2025	2024
	TZS'000	TZS '000
Auditor's remuneration	17,500	14,354
Depreciation and amortisation charge	12,897	8,256
	<u>30,397</u>	<u>22,610</u>

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (Continued)

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 a 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.

11. PROPERTY AND EQUIPMENT

	Computers & accessories TZS '000	Furniture & fittings TZS '000	Office equipment TZS '000	Total TZS '000
Cost				
Balance at 1 January 2024	21,714	12,720	11,158	45,592
Additions during the year	<u>9,723</u>	<u>-</u>	<u>-</u>	<u>9,723</u>
Balance at 31 December 2024	<u>31,437</u>	<u>12,720</u>	<u>11,158</u>	<u>55,315</u>
Balance at 1 January 2025	31,437	12,720	11,158	55,315
Additions during the year	<u>13,590</u>	<u>1,757</u>	<u>8,756</u>	<u>24,103</u>
Balance at 31 December 2025	<u>45,027</u>	<u>14,477</u>	<u>19,914</u>	<u>79,418</u>
Depreciation				
Balance at 1 January 2024	8,366	2,924	800	12,090
Charge for the year	<u>5,271</u>	<u>1,590</u>	<u>1,395</u>	<u>8,256</u>
Balance at 31 December 2024	<u>13,637</u>	<u>4,514</u>	<u>2,195</u>	<u>20,346</u>
Balance at 1 January 2025	13,637	4,514	2,195	20,346
Charge for the year	<u>8,572</u>	<u>1,749</u>	<u>2,575</u>	<u>12,897</u>
Balance at 31 December 2025	<u>22,209</u>	<u>6,263</u>	<u>4,770</u>	<u>33,243</u>
Net book value				
31 December 2024	<u>17,800</u>	<u>8,206</u>	<u>8,963</u>	<u>34,969</u>
31 December 2025	<u>22,817</u>	<u>8,214</u>	<u>15,144</u>	<u>46,175</u>

12. GRANT RECEIVABLE

(a) Composition of grant receivable

The composition of grant receivable as at 31 December 2025 is as follows:

	2025 TZS '000	2024 TZS '000
Grant receivable – Africa Early Childhood Network (AfECN)	<u>-</u>	<u>25,506</u>

(b) Movement in grants receivable

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

Balance at 1 January	25,506	8,414
Grant received during the year	(25,506)	(42,423)
Grant utilised during the year	<u>-</u>	<u>59,515</u>
Balance at 31 December	<u>-</u>	<u>25,506</u>

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (Continued)**

13. ADVANCES TO IMPLEMENTING PARTNERS

(a) Composition of advances to Implementing Partners

During the year ended 31 December 2025, The Network signed Project Implementing Agreements with various Civil Society Organisations (CSOs) to collaborate with in the 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 2025 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 2025.

Composition of advances to Implementing Partners as at 31 December 2025 is as follows:

	2025 TZS '000	2024 TZS '000
Gross advances to implementing partners	265,667	237,666
Uncollectible advances written off	<u>(2,325)</u>	<u>(2,325)</u>
Net advances to implementing partners	<u>263,342</u>	<u>235,341</u>

(b) Movement in advances to implementing partners

The movement in advances to Implementing Partners during the year ended 31 December 2025 is as shown below:

	2025 TZS '000	2024 TZS '000
Balance at 1 January	235,341	229,332
Amount disbursed during the year	534,271	709,448
Amount retired during the year	<u>(506,270)</u>	<u>(703,439)</u>
Balance at 31 December	<u>263,342</u>	<u>235,341</u>

14. OTHER RECEIVABLES

Prepayments	29,728	14,108
Staff advances	203	(127)
Interest receivable	<u>42,170</u>	<u>-</u>
	<u>72,102</u>	<u>13,981</u>

15. CASH AND CASH EQUIVALENTS

Cash at bank	2,359,142	1,879,339
Cash on hand	<u>58</u>	<u>549</u>
	<u>2,359,200</u>	<u>1,879,888</u>

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (Continued)**

16. DEFERRED CAPITAL GRANTS

(a) Composition of deferred capital grants

Deferred capital grants compose of property and equipment received as direct donations 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 2025:

	2025	2024
	TZS '000	TZS '000
Computers and accessories (Note 11)	22,817	17,800
Furniture and fittings (Note 11)	8,214	8,206
Office equipment (Note 11)	15,144	8,963
	<u>46,175</u>	<u>34,969</u>

(b) Movement in deferred capital grants

Movement in deferred capital grants during the year ended 31 December 2025 is as follows:

	2025	2024
	TZS '000	TZS '000
Balance at 1 January	34,969	33,502
Additions during the year (Note 11)	24,103	9,723
Amortisation for the year (Note 5)	(12,897)	(8,256)
Balance at 31 December	<u>46,175</u>	<u>34,969</u>

17. TRADE AND OTHER PAYABLES

Trade and other payables	1,126	33,846
Accrued expenses	24,847	1,970
Provisions	82,349	82,349
	<u>108,322</u>	<u>118,165</u>

18. DEFERRED REVENUE GRANTS

(a) Composition of deferred revenue grants

Composition of deferred revenue grants at 31 December 2025 is as follows:

	2025	2024
	TZS '000	TZS '000
Conrad N. Hilton Foundation	958,901	1,772,247
Children in Crossfire	113,225	183,983
The African Early Childhood Network	73,68	118,264
Spark Health Africa	16,254	14,202
Global School Forum	4,558	21,641
ECDAN Care Project	99,500	-
Echidna Giving Fund	1,388,218	-
	<u>2,654,336</u>	<u>2,110,337</u>

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (Continued)**

18. DEFERRED REVENUE GRANTS (Continued)

(b) Movement in deferred revenue grants

Movement of deferred revenue grants during the year ended 31 December 2025 is as follows:

	AfECN ⁽¹⁾	GSF ⁽²⁾	Spark Health Africa ⁽³⁾	Other donors	BWF	CiC⁽⁵⁾	Conrad Hilton⁽⁶⁾	PATH ⁽⁶⁾	EGF ⁽⁴⁾	Total
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS'000	TZS'000	TZS'000	TZS '000
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)
Prepayment 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>-</u>	<u>-</u>	<u>2,110,337</u>
Balance at 1 January 2025	118,264	21,640	14,203	-	-	183,983	1,772,247	-	-	2,110,337
Receipt during the year	98,277	48,335	109,497	-	-	497,889	691,710	123,529	1,617,378	3,186,615
Utilisation during the year (Note 5)	(142,861)	(65,417)	(107,446)	-	-	(569,717)	(1,452,092)	(24,028)	(229,161)	(2,590,722)
Prepayments during the year	-	-	-	-	-	-	(29,931)	-	-	(29,931)
Transfer to the capital grant	-	-	-	-	-	-	(24,103)	-	-	(24,103)
Reclassification during the year	-	-	-	-	-	-	2,140	-	-	2,140
Balance at 31 December 2025	<u>73,680</u>	<u>4,558</u>	<u>16,254</u>	<u>-</u>	<u>-</u>	<u>113,225</u>	<u>958,901</u>	<u>99,501</u>	<u>1,388,217</u>	<u>2,654,336</u>

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

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (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, amounting to USD 100,000, will be received in three instalments and will cover a period up to 31 October 2025. During the year ended 31 December 2025, utilisation on the grant was TZS 143 million (2025: TZS 143million). Likewise, during the same year, AfECN provided an additional grant of TZS 98 million to cover the costs of personnel secondment arrangements at the Ministry of Community Development, Gender, Women, and Special Groups.

2. Global Schools Forum

During the year ended 31 December 2025, TECDEN agreed with the Global Schools Forum, valid until 31 December 2029, to conduct a scoping study to identify opportunities for non-state childcare organisations and foster national policy dialogue for children in Tanzania. The grant amount of USD 18,700 (equivalent to TZS 47 million) was received, and out of that amount, TZS 65 million was utilised, including the remaining balance of TZS 22 million from the previous year.

3. Spark Health Africa

During the year ended 31 December 2025, Spark Health and TECDEN were in 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 109 million, of which TZS 107 million of the grant received was utilised.

4. ECHIDNA Giving Fund

During the year ended 31 December 2025, TECDEN entered into an agreement with DAFgiving 360. The agreement commenced on 1 March 2025 and ran through 31 March 2028, and the grant was made to strengthen the Foreign Charity's operations and sustainability. The grant amount of USD 600,000 (equivalent to TZS 1.6 billion) was received, and out of that amount, TZS 229 million was utilised during the year.

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (Continued)

18. DEFERRED REVENUE GRANTS (Continued)

(b) Movement in deferred revenue grants (Continued)

5. Children in Crossfire (CiC)

During the year ended 31 December 2025, TECDEN received another grant from Children in Crossfire to implement the “Mtoto Kwanza Phase 2” Project, which aims to catalyse the rollout of Tanzania’s National Multisectoral Early Childhood Development Programme (NM-ECDP) at the sub-national and community level. The grant duration is up to 30 September 2027, whereby the amount received was TZS 498 million. During the year ended 31 December 2025, out of the total receipt of the grant, utilisation was TZS 570 million.

6. Conrad N. Hilton Foundation

During the year ended 31 December 2025, TECDEN agreed 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 280,000 (equivalent to TZS 692 million). During the year ended 2025, TZS 1.5 billion was utilised from the remaining balance of TZS 1.8 billion from the previous year.

7. PATH

During the year ended 31 December 2025, TECDEN agreed with PATH. The agreement commenced on 15 September 2025 and ran through 30 August 2027, and the grant was made to integrate diverse childcare models into policy, invest in caregiver capacity, and build public and political support through cross-sectoral collaboration and advocacy. The grant amount of USD 50,000 (equivalent to TZS 124 million) was received, and out of that amount, TZS 24 million was utilised during the year.

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (Continued)**

19. CONTINGENT LIABILITIES AND COMMITMENTS

The Directors are not aware of any significant contingent liabilities and capital commitments as at 31 December 2025. (2024: 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 2025, as detailed below.

(a) Funding transactions – disbursements/ (retirements)

	2025	2024
	TZS '000	TZS '000
Childhood Development Organisation (CDO)	20,000	37,381
Childhood Development Organisation (CDO)	(19,624)	(28,723)
New Light Children Centre Organisation (NELICO)	20,000	25,000
New Light Children Centre Organisation (NELICO)	(17,654)	(27,278)
Health and Insurance Management Service Organisation (HIMSO)	15,000	25,000
Health and Insurance Management Service Organisation (HIMSO)	(16,602)	(25,618)
Community Support Initiative Tanzania (COSITA)	20,000	35,000
Community Support Initiative Tanzania (COSITA)	(18,004)	(26,169)
	<u>3,116</u>	<u>14,593</u>

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

(b) Amounts due from related parties

	2025	2024
	TZS '000	TZS '000
Childhood Development Organisation (CDO)	9,143	8,767
New Light Children Centre Organisation (NELICO)	12,331	9,985
Health and Insurance Management Service Organisation (HIMSO)	8,398	10,000
Community Support Initiative Tanzania (COSITA)	<u>10,904</u>	<u>8,908</u>
	<u>40,776</u>	<u>37,660</u>

(c) Remuneration of Key Management Personnel

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

	2025	2024
	TZS '000	TZS '000
Salaries and other short-term benefits	<u>359,410</u>	<u>375,954</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (Continued)**

21. FAIR VALUE MEASUREMENT

Fair value estimation

IPSAS 46 requires the Organisation to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The Organisation specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Organisation's market assumptions.

These two types of inputs have created the following fair value hierarchy:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

This hierarchy requires the use of observable market data when available. The Organisation considers relevant and observable market prices in its valuations where possible

(i) Fair value of the Organisation's financial assets and financial liabilities that are measured at fair value on recurring basis

The Organisation did not have any financial assets or financial liabilities that are measured at fair value on recurring basis as at 31 December 2025 (2024: NIL).

(ii) Fair value of the Organisation's financial assets and financial liabilities that are not measured at fair value on recurring basis

The following Table analyses within the fair value hierarchy the Organisation's financial assets and financial liabilities (by class) not measured at fair value at 31 December 2025 but for which fair value is disclosed:

At 31 December 2025	Level 1 TZS '000	Level 2 TZS '000	Level 3 TZS '000	Total TZS '000
Financial assets				
Advances to Implementing Partners (Note 13)	263,342	-	-	263,342
Interest receivables (Note 14)	42,170	-	-	42,170
Cash and cash equivalents (Note 15)	<u>2,359,200</u>	<u>-</u>	<u>-</u>	<u>2,359,200</u>
Total financial assets	<u>2,664,712</u>	<u>-</u>	<u>-</u>	<u>2,664,712</u>
Financial liabilities				
Accrued expenses (Note 17)	24,847	-	-	24,847
Trade payables (Note 17)	<u>738</u>	<u>-</u>	<u>-</u>	<u>738</u>
Total financial liabilities	<u>25,585</u>	<u>-</u>	<u>-</u>	<u>25,585</u>

21. FAIR VALUE MEASUREMENT (Continued)

TANZANIA EARLY CHILDHOOD DEVELOPMENT NETWORK

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (Continued)**

(ii) Fair value of the Organisation's financial assets and financial liabilities that are not measured at fair value on recurring basis (Continued)

At 31 December 2024	Level 1 TZS '000	Level 2 TZS '000	Level 3 TZS '000	Total TZS '000
Financial assets				
Grant receivables (Note 12)	25,506	-	-	25,506
Advances to Implementing Partners (Note 13)	235,341	-	-	235,341
Cash and cash equivalents (Note 15)	<u>1,879,888</u>	<u>-</u>	<u>-</u>	<u>1,879,888</u>
Total financial assets	<u><u>2,140,735</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>2,140,735</u></u>
Financial liabilities				
Accrued expenses (Note 17)	1,970	-	-	1,970
Trade payables (Note 17)	<u>33,846</u>	<u>-</u>	<u>-</u>	<u>33,846</u>
Total financial liabilities	<u><u>35,816</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>35,816</u></u>

(ii) Categorisation of financial instruments

	2025 TZS 000	2024 TZS '000
Financial assets at amortised cost		
Grant receivables (Note 12)	-	25,506
Advances to Implementing Partners (Note 13)	263,342	235,341
Interest receivables (Note 14)	42,170	-
Cash and cash equivalents (Note 15)	<u>2,359,200</u>	<u>1,879,888</u>
Cash and Cash equivalents (Note 12)	<u><u>2,664,712</u></u>	<u><u>2,140,735</u></u>
Financial liabilities at amortised cost		
Accrued expenses (Note 17)	24,847	1,970
Trade payables (Note 17)	<u>738</u>	<u>33,846</u>
	<u><u>25,585</u></u>	<u><u>35,816</u></u>

22. EVENTS AFTER THE REPORTING PERIOD

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

23. COMPARATIVE INFORMATION

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