

**ACTIONAID TANZANIA**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**ACTIONAID TANZANIA**

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FOR THE YEAR ENDED 31 DECEMBER 2025**

<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
Organization Information	1
List of acronyms and abbreviations	2
Report by those charged with governance	3 - 14
Statement of directors' responsibilities	15
Declaration of the head of finance	16
Independent auditors' report	17 - 19
Financial statements:	
Statement of financial performance	20
Statement of financial position	21
Statement of changes in net assets	22
Statement of cash flows	23
Notes to the financial statements	24 - 39

**ACTIONAID TANZANIA**

**ORGANIZATION INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**PRINCIPAL PLACE OF ACTIVITIES**

ActionAid Tanzania  
2<sup>nd</sup> Floor, Sky City mall Building,  
P. O. Box 21496  
Dar es Salaam, Tanzania

**BANKERS**

Standard Chartered Bank  
International House Branch  
P. O. Box 9011  
Dar es Salaam, Tanzania

National Microfinance Bank  
Oyster Plaza Branch  
P.O. Box 9213  
Dar es Salaam, Tanzania

**AUDITORS**

Ernst & Young  
Certified Public Accountants  
EY House, 162/1 – Mzinga way,  
Oysterbay Peninsular,  
Dar es Salaam, Tanzania

## **ACTIONAID TANZANIA**

### **LIST OF ACRONYMS AND ABBREVIATIONS**

AAI	ActionAid International
AATZ	ActionAid Tanzania
AMCOS	Agricultural Marketing Cooperative Society
BRELA	Business Registration and Licencing Agency
CMR	Country Model Review
CP	Country Programme
CSOs	Civil Society Organizations
DA	Development Area
DANIDA	Danish International Development Agency
EC	European Commission
GAAP	Generally Accepted Accounting Principles
GBP	Great Britain Pound
HR	Human Resource
HROD	Human Resource and Organization Development
ICT	Information and Communication Technology
IESBA	International Ethics Standards Board for Accountants
IFRIC	IFRS Interpretations Committee
IFRS	International Financial Reporting Standards
IT	Information Technology
INGOs	International Non-Governmental Organizations
IPSAS	International Public Sector Accounting Standards
ISAs	International Standards on Auditing
LRP	Local Rights Programme
M&E	Monitoring and Evaluation
MEL	Monitoring, Evaluation and Learning
MS	Mellemfolkeligt Samvirke (ActionAid Denmark)
N/A	Not Applicable
NBAA	National Board of Accountants and Auditors
NGOs	Non-Governmental Organizations
NORAD	Norwegian Agency for Development Cooperation
PRRP	Participatory Review and Reflection Process
SDC	Swiss Agency for Development and Cooperation
SHEA	Sexual Harassment Exploitation and Abuse
TZS	Tanzanian Shilling
UK	United Kingdom

## **ACTIONAID TANZANIA**

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

#### **1. INTRODUCTION**

The members charged with governance of ActionAid Tanzania submit their report and the audited financial statements for the year ended 31 December 2025, prepared to disclose the state of affairs in accordance with the International Public Sector Accounting Standards.

#### **2. INCORPORATION**

ActionAid Tanzania ("the Organization") started as an international non-governmental development agency which was established in Tanzania in 1998 under Tanzania Society Ordinance 1954 as ActionAid International Tanzania. As of 23 February 2011, the Organization changed its registration charter to Companies Act, 2002 and thus registered as a company limited by guarantee (the term 'limited' was waived afterwards) and accorded registration number 81643 by Business Registration and Licencing Agency (BRELA). After change of the Companies Act in 2019, ActionAid Tanzania complied and re-registered with the registrar of NGOs under the new Act of 2019 and accorded the registration number 00/R2/00031 as a local NGO.

#### **3. ORGANIZATION MISSION AND VISION**

**Our Vision:** "A Tanzania without poverty, injustice and inequality in which every person enjoys the right to a life of dignity".

**Our Mission:** "To eradicate poverty, inequality and injustices by working with people living in poverty and exclusion and their institutions, partners and alliances, social movements and supporters."

#### **4. PRINCIPAL ACTIVITY**

ActionAid Tanzania has been engaged in development activities with four program priorities namely:

- (i) Gender Responsive Public Services and Inclusive Education
  - Public education systems are more inclusive and responsive to the needs and rights of all children, particularly girls and children living in exclusion, and guarantee affordable, quality, and inclusive education,
  - Promote decent living and working environment in the education sector,
  - Promote sustainable water, sanitation, and hygiene services (WASH) in schools,
  - Promote Child protection against all forms of violence/abuse for effective realization of right to quality and inclusive education.
- (ii) Community Resilience and systems change for Climate Justice
  - Promote sustainable livelihoods systems and the resilience of women smallholder farmers and young people, and
  - Promoting women's participation in natural resource management governance processes and decision-making structures for economic empowerment and sustainable livelihood

ActionAid Tanzania is a member of ActionAid International (AAI) federation which operates in more than 45 countries in Africa, Asia, Latin America, Europe, and Australia. In Tanzania, it operates at national level and 6 district-based Local Rights Programmes (LRPs) previously known as Development Areas (DAs) that are found in five administrative regions namely, Dodoma, Singida, Lindi, Coast and Zanzibar and other 2 districts for specific project programmes i.e Kigoma and Tanga.

#### **5. MANAGEMENT OF THE ORGANIZATION AND ADMINISTRATIVE MATTERS**

The Organization is under the oversight of the Board which is appointed by the General Assembly, and the day-to-day operations are headed by the Country Director together with other members of Senior Management Team consisting of department leads. The Organization structure comprises of the following departments: -

## **ACTIONAID TANZANIA**

### **REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025**

#### **5. MANAGEMENT OF THE ORGANIZATION AND ADMINISTRATIVE MATTERS (CONTINUED)**

- Country Director's office,
- Finance,
- Fundraising
- Programmes & Policy, and
- Human Resources and Administration.

The Organization is capable of handling all administrative matters.

#### **6. PERFORMANCE OBJECTIVES AND STRATEGIES**

ActionAid Tanzania goal is to ensure social justice, gender equality and accountability achieved by shifting power and redistributing resources and the rights of people living in poverty and exclusion advanced. The operational objectives will be attained through below strategies to improved support structure and systems of ActionAid Tanzania.

- Remodel and transform our organization, strengthen leadership and governance, fit for the purpose and future structure, dual citizenship, entrench a feminist leadership culture,
- To build a culture of learning, accountability, and quality M&E that generates knowledge, evidence-based alternatives and communicates impact,
- Secure resources from diverse sources aligned to our vision and values to meet strategic funding needs and build a culture of fundraising innovation,
- Enhance digital connectivity, ICT4D systems, communication, innovation and revolutionize our ways of working, and

#### **7. FUTURE PROSPECTS/DEVELOPMENTS**

In light of ongoing global economic challenges, including the impacts of international conflicts and geopolitical instability, which have affected our funding affiliates' capacity to mobilize resources, members have agreed to adopt proactive measures to address these constraints by.

- Raising resources of the right kind to deliver our strategic goals,
- Redistribute resources within the organization for effectiveness and efficiency in meeting strategic goals; and
- Invest resources for innovation, sustainability, and growth.

The organization has taken some measures to achieve these in the interim period by

- Proactively exiting from Pemba and Singida LRPs and reduced staff size to fit within available resources,
- Shifted our major focus and "business model" to delivering projects for institutional donors, including setting ourselves up to win and deliver donor commercial contracts; and
- Invest to create a compelling popular identity and focus to renew our public support base and individual giving/ child sponsorship income.

These strategies focus to ensure bigger impacts on specific areas, which will promote the organization niche and identity to reframe and reassert ActionAid Tanzania rootedness in communities and longer-term work and reassert the need to deliver impact at all levels from local, national, and international through our affiliate members.

## **ACTIONAID TANZANIA**

### **REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025**

#### **8. PERFORMANCE FOR THE YEAR**

During the year ended 31 December 2025, ActionAid Tanzania raised a total income of TZS 9.59 billion, compared to TZS 6.88 billion in 2024. This income comprised grants from ActionAid International amounting to TZS 4.98 billion, project grants income of TZS 4.30 billion, miscellaneous contributions and donations of TZS 37.12 million, and other income of TZS 50.35 million. In addition, the organization recorded a foreign exchange gain of TZS 221.57 million during the year.

Grants from ActionAid International increased from TZS 3.91 billion in 2024 to TZS 4.98 billion in 2025, reflecting continued growth in funding support from affiliates. This source contributed approximately 52% of total income during the year.

Project grants income increased significantly from TZS 2.91 billion in 2024 to TZS 4.30 billion in 2025, representing an increase of approximately 48%. This growth is mainly attributed to additional funding secured for program implementation, including emergency response interventions during the year.

Miscellaneous contributions and donations amounted to TZS 37.12 million, representing a new income stream compared to the prior year.

Additionally, the organization recorded a foreign exchange gain of TZS 221.57 million, compared to a foreign exchange loss of TZS 186.16 million in 2024, primarily due to favourable exchange rate movements during the year.

Total expenditure for the year ended 31 December 2025 amounted to TZS 9.71 billion, compared to TZS 7.02 billion in 2024, representing an increase of approximately 38%. This increase is largely driven by higher direct programme expenditure, which rose to TZS 8.54 billion from TZS 5.60 billion in the prior year, in line with the increase in funded program activities.

Country office costs decreased from TZS 838.50 million in 2024 to TZS 739.40 million in 2025, reflecting improved cost management. Other costs increased moderately to TZS 436.95 million.

The organization recorded a deficit of TZS 127.62 million in 2025, compared to a deficit of TZS 138.46 million in 2024. Despite increased expenditure, the improved revenue performance and favourable foreign exchange movements contributed to a reduced deficit position.

The use of these funds during the year and the financial position as at 31 December 2025 are presented in the Statement of Financial Performance and the Statement of Financial Position on pages 22 and 23, respectively.

#### **9. RESOURCES**

Resources of ActionAid Tanzania are raised in support of the affiliate members from west who we call fundraising affiliates. There is an internal guiding relationship for fundraising purposes with the funding affiliates for a joint effort in raising of the resources from individual donors. And through proposal writing to various funding institutions for various project grants and contracts.

During the year ended 31 December 2025 ActionAid Tanzania had 10,381 individual supporters from support from UK, Italy, Sweden, and Greece, who have subscribed to ActionAid International in providing grants to the Organization. Also, there were 7 project 3 of which phased out during the year 2025.

**10. RISK MANAGEMENT AND INTERNAL CONTROL**

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

- The effectiveness and efficiency of operations.
- The safeguarding of the Organization'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 a risk of non-compliance of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the Organization system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively. The Board assessed the internal control systems throughout the financial year ended 31 December 2025 and is of the opinion that they met accepted criteria.

The Organization has put in place defined procedures and financial controls to ensure reporting of complete and accurate accounting information. These systems cover for obtaining authority for major transactions and for ensuring compliance with laws and regulations that have significant risk on the Organization. Procedures are also in place to ensure that the Organization's assets are subject to proper physical controls and that the Organization remains structured to ensure appropriate segregation of duties.

- Monthly management meetings done to monitor performance and to agree on measures of improvement,
- Developed annual risk matrix, revised and updated it every quarter,
- Participatory Review and Reflection Process (PRRP) conducted in which accountability is taken as two-way process with relevant stakeholders taking part in the process to ensure accountability to each other i.e. AATZ Management and community/beneficiaries and other stakeholders. This is an important tool towards enhancing internal and external accountability.

**11. LIQUIDITY AND GOING CONCERN**

The financial statements have been prepared based on accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilities and commitments will occur in the ordinary course of business. As at the date of this report, those charged with governance have reasonable expectation that the ActionAid Tanzania has adequate resources and will raise the required resources in 2026 to continue in operational existence for at least 12 months from the date of this report and in foreseeable future. The approved budget for 2026 based on confirmed income is TZS 7,313,331,080.00 financed by;

- Grant income from ActionAid International of TZS 4.9 billion and
- Drawings from the accumulated funds of TZS 487 million
- Funding agreement with different development partners for the year 2025 and beyond as follows.
  - OAK Foundation through Pathfinder International 2026 budget of TZS 159 million,
  - DANIDA through ActionAid Denmark 2026 budget of TZS 1.34 billion,
  - World Food Program Tanzania 2026 budget of TZS 408 million,

## **ACTIONAID TANZANIA**

### **REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025**

#### **11. LIQUIDITY AND GOING CONCERN (CONTINUED)**

Also, as of 31<sup>st</sup> December 2025 AATZ had TZS 18.9 million as cash held at bank, and GBP 447,387.75 equivalent to TZS 1.477 billion as funds held by ActionAid International on behalf of AATZ.

Further, there is not any indication of Macroeconomic risk factor given the trends and political environments to remain calm and in control of the authority. Also, AATZ does not have any ongoing litigation pending that may pose risks to its liquidity in future.

#### **12. TECHNOLOGY AND INNOVATION**

The Organization has continued to invest into technology to cope with the changing environment to satisfy demands of its stakeholders. ActionAid Tanzania has subscribed with mobile networks for mobile wallet payments to its beneficiaries in some area where it works as a continuous improvement of the internal controls, also a contract management system and currently ActionAid Tanzania is collaborating with its Secretariate office to rollout an ERP system to Automate some of its internal processes as a way of strengthening internal controls given the lean staffing structure

#### **13. CORPORATE GOVERNANCE AND MANAGEMENT**

The organization has values which upholds the codes of best practices, which all members and staff are required to abide to Integrity, Mutual respect, Equity and Justice, Solidarity with People Living in Poverty and Exclusion, Courage of conviction, Independence, and Humility. We believe that these are fundamental principles in attaining the vision of the Organization.

#### **14. MEMBERS CHARGED WITH GOVERNANCE**

The Board is elected by the General Assembly after every 3 years on a rotational basis, and responsible and accountable for providing effective corporate governance, direction, and control of the Organization as per the constitution. The Board Members have a duty to exercise leadership, integrity and judgment based on transparency, fairness, accountability, and responsibility.

The Board members of the Organization who held office during the year and to the date of this report, except where otherwise stated were:

**ACTIONAID TANZANIA**

**REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**15. MEMBERS CHARGED WITH GOVERNANCE (CONTINUED)**

<b>Name</b>	<b>Position</b>	<b>Gender</b>	<b>Qualification</b>	<b>Date appointed</b>
Bob Wangwe	Board Chairperson  <b>Committees:</b> 1. Governance and HR: Member 2. Resource Mobilization: Chairperson	Male	<ul style="list-style-type: none"> <li>• Bachelor of Laws</li> </ul>	12 August 2021
Dr. Azaveii Lwaitama	Vice Board Chairperson  <b>Committees:</b> 1. Governance and HR: Member	Male	<ul style="list-style-type: none"> <li>• PhD in Linguistics</li> <li>• Master of Teaching English for Special Purpose</li> <li>• Bachelor of Education</li> </ul>	12 December 2025
Herieth Josephat	Board Treasurer  <b>Committees:</b> 1. Finance and Audit: Chairperson 2. Resource Mobilization: Member	Female	<ul style="list-style-type: none"> <li>• Certified Public Accountant -CPA (T)</li> <li>• Bachelor of Commerce in Accounting</li> </ul>	12 August 2021
Maimuna Kanyamala	Board Member  <b>Committees:</b> 1. Programs: Chairperson 2. Resource Mobilization: Member	Female	<ul style="list-style-type: none"> <li>• Master of Arts in Development Studies</li> <li>• Postgraduate of Arts in Diploma Development Studies</li> <li>• National Diploma in Development Studies</li> </ul>	12 August 2021
Abdallah Mashausi	Board Member  <b>Committees:</b> 1. Finance and Audit: Member	Male	<ul style="list-style-type: none"> <li>• Master of Science in Finance</li> <li>• Fellow Chartered Certified Accountant (FCCA) The Association of Chartered Certified Accountants UK</li> <li>• Bachelor of Accounting</li> </ul>	12 August 2021

**ACTIONAID TANZANIA**

**REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**15. MEMBERS CHARGED WITH GOVERNANCE (CONTINUED)**

<b>Name</b>	<b>Position</b>	<b>Gender</b>	<b>Qualification</b>	<b>Date appointed</b>
Sophia Mbeyela	Board Member <b>Committees:</b> 1. Governance and HR: Chairperson 2. Resource Mobilization: Member	Female	<ul style="list-style-type: none"> <li>▪ Master of Arts in Education, Administration Policy and Planning</li> <li>▪ Bachelor of Arts in Education</li> </ul>	12 August 2021
Khalfan Mohamed	Board Member <b>Committees:</b> 1. Programs: Member	Male	<ul style="list-style-type: none"> <li>▪ Bachelor of Laws</li> </ul>	12 August 2021
Esther Maife	Board Member <b>Committees:</b> 1. Programs: Member	Female	<ul style="list-style-type: none"> <li>▪ Certificate of Journalism</li> </ul>	12 August 2021
Dr. Jean-Marie Nyiringabo	Board Member <b>Committees:</b> 1. Programs: Member	Male	<ul style="list-style-type: none"> <li>▪ Ph.D. in Strategy, Programme and Project Management</li> <li>▪ Master of Business Administration-Finance</li> <li>▪ Post Graduate Diploma in Management</li> <li>▪ Bachelor of Science in Management</li> <li>▪ Advanced Diploma in Accounting</li> </ul>	12 August 2021
Shamimu Nyanda	Board Member	Female	<ul style="list-style-type: none"> <li>▪ Bachelor of Education</li> </ul>	12 December 2024
Peter Niboye	Board Member	Male	<ul style="list-style-type: none"> <li>▪ Master of Business Administration in Leadership Governance</li> <li>▪ Bachelor of Procurement and Supply</li> </ul>	12 December 2024

**ACTIONAID TANZANIA****REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2025****15. MEMBERS CHARGED WITH GOVERNANCE (CONTINUED)**

All Members are Tanzanian Nationals except for Dr. Jean-Marie Nyiringabo who is a Rwanda National

The board is chaired by the Board Chairman and assisted by the Country Director as secretary of the board. During the financial year the board convened for 3 regular meetings and attended by the members as outlined below.

No	Name	29 April 2025	14 August 2025	13 November 2025	Attendance %
1	Bob Wangwe	✓	✓	X	67%
2	Dr. Azaveli Lwaitama	✓	✓	✓	100%
3	Herieth Josephat	✓	✓	✓	100%
4	Maimuna Kanyamaia	✓	✓	✓	100%
5	Abdallah Mashausi	X	✓	✓	67%
6	Dr. Jean-Marie Nyiringabo	✓	✓	✓	100%
7	Sophia Mbeyela	✓	✓	✓	100%
8	Khalfan Mohamed	✓	X	✓	67%
9	Esther Maile	✓	✓	✓	100%
10	Shamimu Nyanda	X	✓	✓	67%
11	Peter Niboye	✓	✓	✓	100%

Below is a summary of the meetings agendas, discussion and resolutions made by the board in the financial period ended 31 December 2025.

During the financial year, apart from other agenda, the Board discussed and deliberated on the following main issues: -

- The management to be proactive in monitoring the ongoing process of the Education Act review in Zanzibar and see if we can engage and provide inputs especially agenda of decent work which focus on decent living and working condition of female teachers.
- The management to consider advocating for policies affecting Seaweed smallholders Farmers.
- The management to search for funds in Blue Economy where we need to cultivate and find out the possibility to benefit and to consider supporting coastal communities to benefit from untapped opportunities like Sea Cucumber (Jongoo Bahari).
- The management to share the management letter with the Finance & Audit Committee as soon received from the External Auditors.
- The management to constantly follow up on the feedback for unsuccessful proposals for documentation and learning purposes.
- The management to continue encouraging/convincing staff to have trust on the Board and the Country Director. It recommended to use staff retreats and meetings to remind staff to submit the whistle blows to the Country Director or Board instead of sending their grievances to the General Secretariat which attracts higher cost in handling the cases. Moreover, it is suggested that conflict of interest forms should be in place at the staff level.

## **ACTIONAID TANZANIA**

### **REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025**

#### **16. MEMBERS CHARGED WITH GOVERNANCE (CONTINUED)**

- The management to enhance the livelihoods of smallholder farmers by strengthening their involvement across the agricultural value chain. This strategic direction should draw on successful models such as India's sorghum value chain development, which has demonstrated significant impact through promotion of value addition and processing and strengthened market linkages.
- The management to support smallholder farmers in establishing small-scale agro-based industries as a means to promote sustainable, income-generating projects within farming communities.
- The management to take steps to familiarize the Board with the Administration and Logistics Policy and going forward to ensure its effective implementation across all relevant departments and operations.
- The management to provide training for the Board, General Assembly Members, and Staff on leadership, political awareness and good governance, in view of some Members and Staff contesting for council and parliamentary seats. This initiative is intended to strengthen organizational capacity and foster effective ethical leadership across all levels.
- The management to be proactive and use strategic approach to search and apply for funds without waiting for them to be publicly announced. This involves building relationships with donors, understanding funding cycles, leveraging insider knowledge and positioning ourselves ahead of the curve.
- The management thoroughly consider the nitty-gritty aspects of relocating the office by carefully examining all the practicalities involved in the move. This includes evaluating logistics, costs, employee convenience, technology setup and any potential disruptions to ensure a smooth transition.
- The management explore and implement alternative methods of employee motivation beyond salary, placing particular emphasis on fostering recognition, supporting career development, promoting work-life balance and cultivating a positive work environment. These initiatives are expected to enhance employee engagement, improve performance and increase overall job satisfaction.
- Recommended to management that, for the 15 acres of land in Dodoma purchased by ActionAid Tanzania for the development of the Agroecology Centre of Excellence, we should also explore incorporating a tourism component into the overall development plan.
- The management to carefully ensure a smooth transition from the SUN system to the new system, taking into consideration the need to retain records from the previous system.
- The management to use the Internal Auditor's shared services virtually and to arrange for one physical audit visit to AATZ annually in order to reduce costs.
- The management to propose innovation for documenting case stories and testimonies be strategically designed to enhance and support fundraising efforts.
- The Management to develop a comprehensive plan regarding the Motion for Amendment of the Governance Manual considering the General Assembly Membership limit, the prescribed cool-off period and any proposed constitutional changes prior to submitting the proposal to the General Assembly for approval.
- The Management to reassess the Board allowance in light of the current situation and where feasible include the Board Members in the medical insurance scheme with payments to be carried individually by the Members.

## ACTIONAID TANZANIA

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

#### 16 MEMBERS CHARGED WITH GOVERNANCE (CONTINUED)

- The Board Members familiarize themselves with Board operations, including the do's and don'ts, and reach consensus on Board matters prior to presenting them to Management as formal Board proposals.

#### Board Members Evaluation and trainings

In 2025, under the guidance of the Board Chairperson, Management arranged for some Board members to participate in the Participatory Review and Reflection Process (PRRP). This platform enables stakeholders, including community beneficiaries, partners, and government officials, to engage in discussions about program processes, successes, challenges, and future. The aim was to deepen Board members' understanding of community and district-level PRRP while gaining insights from a diverse range of stakeholders. This experience enriched their knowledge and enable them to effectively promote the ActionAid brand and articulate the organization's work to potential donors when opportunities arise.

Also, the board undertakes self-assessment annually to evaluate how they understand their roles and advise management to plan trainings that would bridge the knowledge gap in ensuring that the board members are equipped with capacities to execute their role. Assessment Result for the year 2025 was analysed and reported during the 14 November 2025 regular Board Meeting. All gaps noted were incorporated into capacity development plan for the year 2025.

#### 17. MANAGEMENT TEAM

The Board is responsible of recruiting the Country Director who is responsible to oversees overall operations of the Organization and reports to the Board Chair. He is assisted by the Senior Management Team which is comprised of Finance Manager, Human Resource and Administration Manager, Programs and Partnership Manager, Sponsorship and Local Rights Programmes Manager, and Fundraising Manager. The Management of the organization undertakes its tasks with integrity and in accordance with the organization's procedures, generally accepted corporate practices and adheres to internationally developed principles of good corporate governance.

#### Composition of Management team

Name	Position	Qualification	Nationality	Date Joined	Date of Resignation
Bavon Christopher	Country Director	MBA, B. Com, ACPA-PP(T)	Tanzanian	March 2020	Continuing
Elias Mtinda	Programs and Partnership Manager	MSC Water resources and livelihood security	Tanzanian	October 2023	Continuing
Raphael Kabeho	Finance Manager	ADA, Business Administration-Accounts	Tanzanian	March 2020	Continuing
Agness Gondwe	Human Resource and administration Manager	BA in Human Resources Management	Tanzanian	May 2023	Continuing
Macina Kasunga	Sponsorship and LRP Manager	BA in Development Studies International Diploma In Human Resources Management & Modern Management	Tanzanian	August 2025	Continuing
Angelus Runji	Fundraising Manager	Action Learning MBA, LLM & Diploma in Teaching & Environmental Science.	Tanzanian	August 2025	Continuing

The Senior Management Team meets regularly (monthly, quarterly, semi-annually, and annually) to review and discuss on overall performance of the Organization including reviewing programme performance, Management Accounts, HR, and Organizational Development processes and perform other administration tasks and takes appropriate actions to ensure that activities are implemented in line with the Country Strategy Paper and annual plans. The Management team receives timely information from functional units so that it can maintain full and effective control over strategic, financial, and operational matters and compliance issues related to the Organization.

## **ACTIONAID TANZANIA**

### **REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025**

#### **18. EMPLOYEES WELFARE**

##### **Gender parity**

The Organization is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribe, religion, and disability.

As at 31 December 2025, the Organization had the following mix of employees by gender.

<b>Gender</b>	<b>31 December 2025</b>		<b>31 December 2024</b>	
Male	22	67%	20	67%
Female	11	33%	10	33%
<b>Total</b>	<b>33</b>	<b>100%</b>	<b>30</b>	<b>100%</b>

##### **Staff Welfare**

Staff welfare is covered under the terms and conditions of employment contracts that outline various benefits and policies governing employment.

##### **Management and Employees Relationship**

The Board requires the Management to always maintain good relationship with employees. The Board has always acted appropriately on substantiated employee's complaints against the Management without undermining management's role, responsibilities, and mandates.

#### **18. PERSONS WITH DISABILITIES**

The organization has a policy of continued employment of people who become disabled while in the Organization's service. The Organization is also committed to recruit persons with disabilities for suitable positions.

#### **19. RELATED PARTY TRANSACTIONS AND BALANCES**

The related party transactions and balances are disclosed in Note 23 to the financial statements.

#### **20. AUDITORS**

Ernst & Young have been re-appointed to be the auditor of ActionAid Tanzania for the year ended 31 December 2025. The auditors have expressed their willingness to continue in office and are eligible for re-appointment.

Auditors' details are included in the table below:

Ernst & Young (EY)  
EY House  
Plot No. 162/1 – 14111 Mzingo Way  
14111 Oysterbay,  
New Bagamoyo Road, P.O. Box 2475,  
Dar es Salaam, Tanzania  
Firms' registration Number: 151, TIN number: 100-149-222

#### **21. RESPONSIBILITY OF THE AUDITORS**

The auditors are responsible for providing assurance of the correctness and consistency of each and every piece of information contained in the report by those charged with governance within the financial statements.

**ACTIONAID TANZANIA**

**REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**22. STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE**

It is the responsibility of those charged with governance to prepare financial statements of the entity which show a true and fair view in accordance with applicable standards, rules, regulations and legal provisions.

This responsibility covers the period from the beginning of the financial year to the date those charged with governance approve the audited financial statements and it covers all those charged with governance who acted in this capacity during any part of the period covered by financial statements.

**23. ACKNOWLEDGMENT**

The Board of Directors wishes to thank the management and employees who have shown exemplary courage, dignity, solidarity and excellent performance during the period.

The Board also wishes to express its appreciation to the stakeholders of the Organization for their fidelity, trust and support during the period without which the reported results would not have been achieved.

**BY ORDER OF THE BOARD,**

Bob Wangwe

Name

Chairperson

Title

Signature

Date

2026

**ACTIONAID TANZANIA**

**RESPONSIBILITIES BY THOSE CHARGED WITH GOVERNANCE  
FOR THE YEAR ENDED 31 DECEMBER 2025**

The Directors have the responsibilities to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Organization as at the end of the financial year and of its surplus or deficit for the year. It also requires the directors to ensure that the Organization keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Organization. They are also responsible for safeguarding the assets of the Organization and hence taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

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

Nothing has come to the attention of the directors to indicate that the Organization will not remain a going concern for at least twelve months from the date of this statement.

**BY ORDER OF THE BOARD,**

Bob Wangwe

Chairperson

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

  
Signature

\_\_\_\_\_  
Date

15 | 04 |

2026

**ACTIONAID TANZANIA**

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

The National Board of Accountant and Auditors (NBAA) according to the power conferred under the Auditor and Accountants (Registration) Act No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statement to be accompanied with a declaration issued by the Head of Finance responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the board of Directors to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the board of Directors as under the statement of Directors' responsibilities on an earlier page.

I, Bavon Christopher on behalf of the head of finance of ActionAid Tanzania hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2025 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements of ActionAid Tanzania comply with applicable accounting standards and statutory requirements as on that date and that they have been prepared based on properly maintained financial records.



Signed by: BAVON CHRISTOPHER

Position: COUNTRY DIRECTOR

NBAA Membership No.: ACPA 2438

Date: 15/09/2025



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**INDEPENDENT AUDITOR'S REPORT  
TO THE DIRECTOR'S OF ACTIONAID TANZANIA**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Opinion**

We have audited the financial statements of **ACTIONAID TANZANIA** ("the Organisation") set out on pages 20 to 39 which comprise of the statement of financial performance, Statement of financial position, the statement of changes in net assets and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

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

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organisation in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and other independence requirements applicable to performing audits of financial statements of the Organisation and in Tanzania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits of the Organisation and in Tanzania. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

The members are responsible for the other information. The other information comprises the information included on pages 1 to 16 of the **ACTIONAID TANZANIA Annual Report and Audited Financial Statements for the year ended 31 December 2025**, which includes Organisation Information, the report by those charged with governance as required by TFRS No 1, Statement of Directors' Responsibilities for the Financial Statements and Declaration by the Head of Finance. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or 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.



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### **Responsibilities of the directors for the Financial Statements**

The directors are responsible for the preparation and fair presentation of the financial statements, in accordance with International Public Sectors Accounting Standards as issued by International Public Sectors Accounting Standards Board and the requirements of the Non-Governmental Organisation Act, 2002 [R.E 2019] of Tanzania, and for such internal control as the 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, the 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 the directors either intend to liquidate the Organisation or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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 auditor's 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 auditor's 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.



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

The engagement Partner on the audit resulting in this independent auditor's report is CPA Deokari Mkenda - ACPA 3438

*Ernst & Young*

Ernst & Young  
Certified Public Accountants  
Dar es Salaam, Tanzania

CPA Deokari Mkenda

Date 15/04 2026

**ACTIONAID TANZANIA****STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31 DECEMBER 2025**

		<b>2025</b>	<b>2024</b>
	<b>Notes</b>	<b>TZS'000</b>	<b>TZS'000</b>
<b>REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>			
Grants from Action Aid International	7	4,975,059	3,912,205
Projects Grants Income	8	4,302,330	2,911,855
Miscellaneous contributions and donations	9	37,122	-
		<b>9,314,511</b>	<b>6,824,060</b>
<b>REVENUE FROM EXCHANGE TRANSACTIONS</b>			
Other income	10	50,350	55,352
Foreign currency exchange gain	11	221,572	-
		<b>9,586,433</b>	<b>6,879,412</b>
<b>EXPENDITURE</b>			
Direct programme expenditure	12	(8,538,106)	(5,601,318)
Country office cost	13	(738,999)	(838,499)
Other cost	14	(436,948)	(391,900)
Foreign currency exchange loss	11	-	(186,159)
		<b>(9,714,053)</b>	<b>(7,017,876)</b>
<b>Deficit before tax</b>		<b>(127,620)</b>	<b>(138,464)</b>
Income tax	15	-	(22,742)
<b>Deficit for the year</b>		<b>(127,620)</b>	<b>(161,206)</b>

**ACTIONAID TANZANIA**

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

	Notes	2025 TZS'000	2024 TZS'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	16	202,151	136,108
<b>Current assets</b>			
Receivables from non-exchange transactions	17	1,818,422	2,471,619
Other receivables	18	230,560	187,961
Cash and bank balances	19	18,966	267,485
		<u>2,067,948</u>	<u>2,927,065</u>
<b>TOTAL ASSETS</b>		<u><b>2,270,099</b></u>	<u><b>3,063,173</b></u>
<b>ACCUMULATED FUNDS AND LIABILITIES</b>			
Accumulated fund		937,935	1,065,555
<b>Current liabilities</b>			
Payables from non-exchange transactions	20	109,666	106,464
Other payables	21	384,969	461,766
Income tax payable	15	-	25,760
		<u>494,635</u>	<u>593,990</u>
<b>Non current liabilities</b>			
Deferred capital grant	22	837,529	1,403,629
<b>TOTAL FUNDS AND LIABILITIES</b>		<u><b>2,270,099</b></u>	<u><b>3,063,174</b></u>

These financial statements were approved by the Board of Directors of ActionAid Tanzania for issue on 15/09/2026 and were signed on its behalf by:

Bob Wangwe

Chairperson

Name

Title

Signature



**ACTIONAID TANZANIA**

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

	<b>2025 TZS'000</b>	<b>2024 TZS'000</b>
As at 1st January	1,065,555	1,228,745
Prior year adjustment	-	16
Deficit for the year	(127,620)	(161,207)
<b>At 31st December</b>	<u><u>937,935</u></u>	<u><u>1,065,554</u></u>

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

	Notes	2025 TZS'000	2024 TZS'000
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>			
(Deficit) / Surplus before tax		(127,620)	(138,465)
<b>Adjustments for non-cash items</b>			
Depreciation	16	80,960	114,442
Gain from disposal	10	-	(18,993)
Prior year adjustment		-	16
<b>Operating results before working capital changes</b>		<b>(46,660)</b>	<b>(43,000)</b>
<b>Change in working capital items</b>			
(Increase)/ Decrease in receivables from non-exchange transactions	17	653,197	(1,031,146)
Increase in other receivables	18	(42,599)	(142,511)
Increase in payables from non-exchange transactions	20	3,202	106,465
(Decrease)/Increase in other payables	21	(76,797)	165,356
(Decrease)/increase in deferred capital grant	22	(566,100)	1,301,058
<b>Net cash flows from operating activities</b>		<b>(75,756)</b>	<b>356,222</b>
Tax paid for the period	15	(25,760)	(32,357)
<b>Net cash flows from operating activities</b>		<b>(101,516)</b>	<b>323,865</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment	16	(147,003)	(288,680)
Cash from disposal of assets		-	112,100
<b>Net change in cash and cash equivalents</b>		<b>(248,519)</b>	<b>147,285</b>
Cash and cash equivalents at 1 January		267,485	120,200
<b>Cash and cash equivalents at 31 December</b>	20	<b>18,966</b>	<b>267,485</b>

## **ACTIONAID TANZANIA**

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

#### **1. GENERAL INFORMATION**

ActionAid Tanzania ("the Organization") started as an international non-governmental development agency which was established in Tanzania in 1998 under Tanzania Society Ordinance 1954 as ActionAid International Tanzania. As of 23rd February 2011, the agency changed its registration charter to Companies Act, 2002 and thus registered as a company limited by guarantee (the term 'limited' was waived afterwards) and accorded registration number 81643 by Business Registration and Licensing Agency (BRELA). After Change of the Companies Act in 2019, ActionAid Tanzania complied and re-registered with the registrar of NGOs under the new Act of 2019 and accorded the registration number 00/R2/00031 as a local NGO.

#### **2. BASIS OF PREPARATION AND GOING CONCERN**

##### **a) BASIS OF PREPARATION**

These financial statements have been prepared in accordance with International Public-Sector Accounting Standards (IPSAS). The financial statements have been prepared on a historical cost basis, except where otherwise stated in the accounting policies below. The financial statements are presented in Tanzania Shillings (TZS) and all values are rounded to the nearest Tanzanian Shillings

##### **Statement of compliance**

The preparation of financial statements in conformity with International Public-Sector Accounting Standards (IPSAS) Requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Organization's accounting policies. The areas involving a higher degree of judgement or complexity or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5.

##### **b) GOING CONCERN**

The Organization has funding agreements with bilateral, foundations and individual donors under which there are commitments for funding up to 2026. The directors of AATZ are satisfied that the Organization has the resources to continue in operation for the foreseeable future. Furthermore, the directors confirm that they are not aware of any material uncertainties that may cast significant doubt upon the Organization's ability to continue as a going concern. Therefore, the financial statements have been prepared on the going concern basis

#### **3. CHANGES IN MATERIAL ACCOUNTING POLICIES AND DISCLOSURES**

##### **New and amended standards and interpretations.**

AATZ adopted International Public Sector Accounting Standards (IPSAS) to replace the International Financial Reporting Standards (IFRS). IPSAS is more appropriate financial reporting framework for the Organization. Standards and interpretations issued as 1 January 2025 were adopted and had no impact on the financial performance or financial position of the Organization.

The accounting policies adopted are consistent with those of the previous financial year. Standards that are issued but not yet effective and those which are effective for accounting period beginning on or after 01 January 2025 are listed below:

- IPSAS 43 – Leases – Effective date from 1 January 2025, with early adoption encouraged.
- IPSAS 45 - Property, Plant, and Equipment - Effective date from 1 January 2025, with early adoption encouraged
- IPSAS 46, Measurement - Effective date from 1 January 2025, with early adoption encouraged
- IPSAS 47, Revenue - Effective date from 1 January 2026, with early adoption encouraged
- IPSAS 48, Transfer expenses - Effective date from 1 January 2026, with early adoption encouraged

New and amended standards and interpretations that became effective during the year did not have any impact on the accounting policies, financial position or performance of ActionAid Tanzania.

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

**4. SUMMARY OF MATERIAL ACCOUNTING POLICIES**

**a) Foreign currency translation**

**Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Tanzania shillings in thousands (TZS '000') which is the Organization's functional and presentation currency.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

**b) Revenue**

**Revenue from non-exchange transactions**

**Grants from ActionAid International**

Grants from ActionAid International is income received from individual donors directly by ActionAid International on behalf of ActionAid Tanzania. This is recognised directly in the statement of financial performance as income realized and on the statement of financial position as funds held by ActionAid International.

**Projects grant income**

Funds received from donors for specific activities are treated as income and recognized on the statement of financial performance only when the intended activities have been implemented. If the intended activity is still pending at the end of the financial period, such funds are deferred and are disclosed as a liability in the financial statements.

**Revenue from exchange transactions**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Revenue of AATZ includes amortization of capital grants, interest income and other miscellaneous income, exchange differences on translation.

**c) Expenditure**

These financial statements include expenditure incurred within Tanzania and overseas on behalf of the Organization. ActionAid Tanzania recognizes its expenses once they are incurred or as soon as when services and goods have been delivered i.e on an accrual basis.

**Allocation of Country office overhead**

The ActionAid Tanzania country office overheads are shared with all programmes that are being run based on actual directly attributable overheads subject to the restriction imposed by Action Aid's Global Financial Management Framework on maximum allowable overheads.

# ACTIONAID TANZANIA

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

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

#### d) Property and equipment

Items of property and equipment are capitalized and carried forward in the financial statements only if their cost exceeds GBP 5,000 (or its TZS equivalent) - items costing GBP 5,000 or below are expensed in the year of purchase. Such items of property and equipment are then carried at cost less accumulated depreciation and accumulated impairment losses.

Equipment is stated at cost less accumulated depreciation and accumulated impairment in value.

All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is computed on a straight-line basis, except for vehicles and motorcycles which are charged on reducing balance method, at annual rates estimated to write off carrying values of the assets over their expected useful lives.

#### The annual depreciation rates in use are:

	%
Building	10
Motor vehicles	33.33
Furniture and fittings	12.50

The carrying values of equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognizing of the assets is included in the income statement in the year the asset is derecognized.

The asset's residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year end.

#### e) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise of cash at banks and in hand and short-term deposits. For the purposes of the cash flow statement, cash and cash equivalents comprise cash and cash equivalents defined above, net of outstanding bank overdrafts.

#### f) Receivables

Accounts receivable comprise of receivables from funders, advances to service providers, employees and other short-term receivables. If collection is expected in one year or less (or in the normal operating cycle of the business), they are classified as current asset. If not, they are presented as non-current assets. Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment.

#### g) Accounts payables

Accounts payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

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

**4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**h) Deferred income**

Deferred income represents an obligation to conduct donor funded activities per contractual commitments made between donors/development partners and the organization, where funds have been transferred for implementation of activities, but such activities have not yet occurred.

**i) Pension and other post-employment benefits**

As required by the local regulation, the Organization contributes every month 15% of each employee gross salary to approved pension schemes (pension Fund) with each employee contributing 5% to the fund. The contributions are to cater for employees' pension benefits upon their retirement, permanent disability, or termination. Organization's contributions are included as resource expended in the year paid. Employees' contributions are not expenses of the Organization but employees' themselves and therefore, not included in these financial statements.

**j) Provisions**

Provisions are recognized when the organization has a present legal or constructive obligation as a result of past events. It is probable that an outflow of resources will be required to settle the obligation and reliable estimate of amount can be made.

**k) Leases**

The organization assesses whether a contract contains a lease, at inception of the contract. For any short-term leases, the Organization recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

**l) Financial Instruments**

Financial instruments are recognised on the organization's statement of financial position when the organization becomes a party to the contractual provisions of the instruments. Financial instruments are recognised initially at Fair value plus, for instruments not at fair value through surplus or deficit, any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortized cost using the effective interest rate method, less any impairment losses if any.

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Organization determines the classification of its financial assets at initial recognition.

All financial assets of the organization are in the category of receivables. Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period, otherwise are classified as non-current assets.

**Recognition and measurement**

Receivables are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method.

**4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**l) Financial Instruments (Continued)**

**Offsetting financial instruments**

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

**Excepted credit loss**

The organization assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the donors or a group of donors is experiencing significant financial difficulty, the probability that they will enter bankruptcy or other financial re-organization, and where observable data indicate that there is a measurable decrease in the estimated future cash flows.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the statement of financial performance. If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognized the reversal of the previously recognized impairment loss is recognized in the statement of financial performance.

**m) Income Tax**

The current and deferred income tax charge is computed on the basis of reported profit before tax for the year under review and regulations of the United Republic of Tanzania, in which the Organization is registered, using substantively enacted tax rates in Tanzania where the Organization operates and generates taxable income i.e. current tax and deferred tax.

Current tax charge is the amount of income tax payable on the taxable profit for the year and any adjustments to the tax payables in respect of prior years. Management periodically evaluates position taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, if the deferred income tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss, it is not accounted for. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred income tax assets and liabilities are offset when there is legally enforceable right to offset the current tax assets against the current tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority.

**5. ACCOUNTING JUDGEMENT, ESTIMATES AND ASSUMPTIONS**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances. The 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 are discussed below:

**Useful life of the asset**

The Organization made significant estimates in determining the useful life of the assets and intangibles and related depreciation and amortisation rates.

**Provisions**

Provisions are made when the Organization has a present obligation, as a result of past events where 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 for the amount of the obligation.

**Impairment of non-financial assets**

The Organization assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

**6. FINANCIAL RISK MANAGEMENT POLICIES**

The Organization's activities expose it to a variety of financial risks, namely market risk, credit risk and liquidity risk. The Organization's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance. The Organization does not hedge any of its risk exposures.

Financial risk management is carried out by the finance department under policies approved by the Governing Board Members. The Governing Board provides written principles for overall risk management, as well as written policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and liquidity risk and capital management risk.

**Market risk**

**Foreign exchange risk**

The Organization enters into contracts denominated in foreign currencies in United States Dollar (USD), British Pound (GBP) and Euro mainly for payments made. As a result, the organization is subject to transaction and translation exposure from fluctuations in foreign currency exchange rates.

Management's policy to manage foreign exchange risk is to maintain foreign currency bank accounts which act as a natural hedge for payment.

The table below summarizes the exposure to foreign currency exchange rate risk at 31 December 2025. All amounts are in 'TZS'

**ACTIONAID TANZANIA**

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

**6. FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)**

*Market risk (Continued)*

**Foreign exchange risk (Continued)**

	USD	GBP	Euro	TZS	Total
<b>At 31 December 2025</b>					
<b>Financial assets</b>					
Due from related party	-	1,495,142	-	37,444	1,532,587
Cash at bank	546	3,303	7,274	7,843	18,966
	<u>546</u>	<u>1,498,445</u>	<u>7,274</u>	<u>45,287</u>	<u>1,551,552</u>
<b>Financial liabilities</b>					
Due to related parties	-	-	-	109,666	109,666
Trade payables	-	-	-	302,687	302,687
	-	-	-	<u>412,353</u>	<u>412,353</u>
	<u>546</u>	<u>1,498,445</u>	<u>7,274</u>	<u>(367,066)</u>	<u>1,139,199</u>
<b>Net exposure to foreign exchange risk</b>	<b>USD</b>	<b>Euro</b>	<b>TZS</b>		<b>Total</b>
<b>At 31 December 2024</b>					
<b>Financial assets</b>					
Due from related party	7,081	2,042,183	-	71,850	2,114,033
Cash at bank	7,081	67,560	(1,164)	194,007	267,484
	<u>7,081</u>	<u>2,109,743</u>	<u>(1,164)</u>	<u>265,857</u>	<u>2,381,517</u>
<b>Financial liabilities</b>					
Due to related parties	-	-	-	106,464	106,464
Trade payables	-	-	-	408,150	408,150
	-	-	-	<u>514,614</u>	<u>514,614</u>
<b>Net exposure to foreign exchange risk</b>	<u>7,081</u>	<u>2,109,743</u>	<u>(1,164)</u>	<u>(248,757)</u>	<u>1,866,903</u>

**ACTIONAID TANZANIA**

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

**6. FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)**

*Market risk (Continued)*

**Foreign exchange risk (Continued)**

The sensitivity to a change of currency by +/-5%, with all other variables held constant, the profit/loss before tax and equity before tax will be higher or lower by TZS 105 million and TZS 74 million respectively.

	Change in TZS rate	Effect on profit before tax TZS	Effect on equity before tax TZS
<b>2025</b>			
USD	5%	27	19
GBP		74,922	52,446
Euro		364	255
		<u>75,313</u>	<u>52,719</u>
<b>2024</b>			
USD	5%	354	248
GBP		105,487	73,841
Euro		(58)	(41)
		<u>105,783</u>	<u>74,048</u>

*Credit risk*

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions as well as credit exposures to customers, including outstanding receivables and committed transactions.

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

	2025 TZS'000	2024 TZS'000
Cash at bank (Note 19)	18,966	267,485
Receivables from non-exchange transactions (Note 17)	<u>1,818,422</u>	<u>2,471,619</u>
	<u>1,837,388</u>	<u>2,739,104</u>

No collateral is held for any of the above assets.

**ACTIONAID TANZANIA****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2025****6. FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)*****Liquidity risk***

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

The table below analyses the Organization's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows.

	<b>TZS'000</b>	<b>TZS'000</b>
	<b>Less</b>	<b>Between</b>
	<b>than 1</b>	<b>1 and 5</b>
	<b>year</b>	<b>years</b>
<b>At 31 December 2025</b>		
Payables from exchange transactions (excluding statutory liabilities) (Note 21)	302,687	-
Payables from non-exchange transactions (Note 20)	109,666	-
Deferred revenue grant (Note 22)	837,529	-
	<u><b>1,249,882</b></u>	<u><b>-</b></u>
<b>At 31 December 2024</b>		
Payables from exchange transactions (excluding statutory liabilities) (Note 21)	408,150	-
Payables from non-exchange transactions (Note 20)	106,464	-
Deferred revenue grant (Note 22)	1,403,629	-
	<u><b>1,918,243</b></u>	<u><b>-</b></u>

***Capital risk management.***

The Organization's objectives when managing capital is to safeguard its ability to continue as a going concern in order to:

- (i) ensure a continued support and reinvestment into the business operations in case of either shortage of funding or any expansion of the business activities; and
- (ii) (ii) to maintain an optimal capital structure to reduce the cost of capital.

As at 31 December 2025, the organization had no borrowings.

**ACTIONAID TANZANIA**

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

	<b>2025</b>	<b>2024</b>
	<b>TZS'000</b>	<b>TZS'000</b>
<b>7 GRANTS FROM ACTION AID INTERNATIONAL</b>		
Regular giving	4,694,377	3,889,986
Other regular giving	280,682	-
Transfers	-	22,219
	<u><b>4,975,059</b></u>	<u><b>3,912,205</b></u>
<b>8 PROJECTS GRANTS INCOME</b>		
Prevention of Violence Against School Children	160,954	135,132
Youth Empowerment and Influence in Tanzania	1,268,598	1,206,572
Hanang Floods Emergency response	-	208,292
Transformative impact fund	877,689	151,618
Women seaweed producers	-	51,505
Climate Campagne	72,753	17,000
Tanzania Floods Emergency response	-	670,619
Climate smart agriculture Contractual project	685,101	471,116
Shining bright future for children with albinism	609,535	-
Anticipation of Community Displacement	627,700	-
	<u><b>4,302,330</b></u>	<u><b>2,911,854</b></u>
<b>9 MISCELLANEOUS CONTRIBUTIONS AND DONATIONS</b>		
Miscellaneous contributions and donations	37,122	-
	<u><b>37,122</b></u>	<u><b>-</b></u>
<b>10 OTHER INCOME</b>		
Reversal of accrued expenses	50,350	36,359
Gain from disposal	-	18,993
	<u><b>50,350</b></u>	<u><b>55,352</b></u>
<b>11 FOREIGN EXCHANGE GAINS/(LOSSES)</b>		
Foreign currency exchange gain	221,572	-
Foreign currency exchange loss	-	(186,159)
	<u><b>221,572</b></u>	<u><b>(186,159)</b></u>
<b>12 DIRECT PROGRAMME EXPENDITURE</b>		
Grants to partner Organizations and support to communities	6,256,480	3,482,357
Other programme expenditures	2,281,626	2,085,479
	<u><b>8,538,106</b></u>	<u><b>5,567,836</b></u>
<b>13 COUNTRY OFFICE COSTS</b>		
Depreciation	80,960	114,442
Directorate costs	198,454	196,578
Finance	186,211	130,146
Communication	4,226	2,831
Human resources	98,089	110,789
Impact assessment and DA support	25,044	56,658
Information systems	102,960	71,154
Office administration	43,055	189,383
	<u><b>738,999</b></u>	<u><b>871,981</b></u>

**ACTIONAID TANZANIA**

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

	2025 TZS'000	2024 TZS'000
<b>14 OTHER COSTS</b>		
Audit and professional fee	27,433	63,071
Governance cost	209,227	117,805
Fundraising costs	200,288	211,024
	<u>436,948</u>	<u>391,900</u>

**15 INCOME TAX**

**(a) Income tax expense**

	2025 TZS'000	2024 TZS'000
Current tax charge	-	22,742
	<u>-</u>	<u>22,742</u>

A reconciliation between the tax expense and the product of the accounting loss times the standard tax rate of 30% is as follows:

Accounting profit/(loss) before income tax	(127,620)	(138,465)
Income tax at 30% (2024: 30%)	(38,286)	(41,540)
<b>Adjusted for:</b>		
Tax effect on items not deductible for tax expense	104,164	81,297
Tax effect on items deductible for tax expense	(123,843)	(17,015)
Over/under provision of tax for current years	57,965	-
	<u>-</u>	<u>22,742</u>

**(b) Current income tax payable**

At 1 January	25,760	35,374
Tax charge for the period	-	22,742
Tax paid for the period	(25,760)	(32,357)
At 31 December	<u>-</u>	<u>25,760</u>

**ACTIONAID TANZANIA**

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

**16 PROPERTY AND EQUIPMENT**

	Land TZS'000	Vehicles and cycles TZS'000	Other equipment TZS'000	Total TZS'000
<b>Cost</b>				
At 1 January 2024		651,703	54,173	705,876
Disposal		-	-	-
<b>At 31 December 2024</b>	<b>-</b>	<b>651,703</b>	<b>54,173</b>	<b>705,876</b>
Additions	40,000	107,003	-	147,003
Disposal		-	-	-
<b>At 31 December 2025</b>	<b>40,000</b>	<b>758,706</b>	<b>54,173</b>	<b>852,879</b>
<b>Accumulated depreciation</b>				
At 1 January 2024		447,637	54,173	501,810
Charge for the year		114,442	-	114,442
Disposal		(46,484)	-	(46,484)
<b>At 31 December 2024</b>	<b>-</b>	<b>515,595</b>	<b>54,173</b>	<b>569,768</b>
Charge for the year		80,960	-	80,960
Disposal		-	-	-
<b>At 31 December 2025</b>	<b>-</b>	<b>596,555</b>	<b>54,173</b>	<b>650,728</b>
<b>Carrying amount</b>				
<b>31 December 2025</b>	<b>40,000</b>	<b>162,151</b>	<b>-</b>	<b>202,151</b>
<b>31 December 2024</b>	<b>-</b>	<b>136,108</b>	<b>-</b>	<b>136,108</b>

**ACTIONAID TANZANIA**

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

	<b>2025</b>	<b>2024</b>
	<b>TZS'000</b>	<b>TZS'000</b>
<b>17 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS</b>		
Amounts due from related parties (Note 23b)	1,532,587	2,114,033
Programme receivable (Note 22)	201,075	289,125
Advances to partners	84,760	68,461
	<u><b>1,818,422</b></u>	<u><b>2,471,619</b></u>
<b>18 OTHER RECEIVABLES</b>		
Prepayments	145,446	129,139
Staff debtors	55,210	71,521
Provision for doubtful debts	-	(12,699)
Other debtors	29,904	-
	<u><b>230,560</b></u>	<u><b>187,961</b></u>
<b>19 CASH AND BANK BALANCES</b>		
Bank balances	18,966	267,485
	<u><b>18,966</b></u>	<u><b>267,485</b></u>
<b>20 PAYABLES FROM NON-EXCHANGE TRANSACTIONS</b>		
Amounts due to related parties (Note 23c)	109,666	106,464
	<u><b>109,666</b></u>	<u><b>106,464</b></u>
<b>21 OTHER PAYABLES</b>		
Trade payables	302,687	408,150
Accruals	82,282	53,616
	<u><b>384,969</b></u>	<u><b>481,766</b></u>
<b>22 DEFERRED REVENUE GRANT &amp; PROGRAM RECEIVABLES</b>		
	<b>2025</b>	<b>2024</b>
	<b>TZS</b>	<b>TZS</b>
Deferred revenue grant	837,529	1,403,629
Program receivable	(201,075)	(289,125)
	<u><b>636,454</b></u>	<u><b>1,114,504</b></u>

**ACTIONAID TANZANIA**

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

**22 DEFERRED REVENUE GRANT & PROGRAM RECEIVABLES (CONTINUED)**

Project Name	At 01 January TZS'000	Funds received TZS'000	Released to expenses TZS'000	Adjustments TZS'000	Refunds to donor TZS'000	At 31 January TZS'000
Shared Resources for Joint solution	SRJ	10,183	-	(10,183)	-	-
Fit for future	FFT	28,388	-	(28,388)	-	-
Youth Empowerment and Influence in Tanzania	MS0	(169,212)	140,325	160,954	-	69,581
Prevention of Violence Against School Children	KWZ	(1,958)	1,410,114	1,268,598	49,094	21,397
Transformative impact fund	TIF	636,042	732,762	877,689	-	491,115
Climate Campaigne	CCP	97,275	-	72,753	-	24,522
Learning environment improvement for safer education	LEI	236,485	30,388	190,683	-	76,190
Solidarity Trip to Tanzania 2025	STT	17,605	-	-	-	17,605
Water Project for Matembe	WPM	44,320	-	44,294	-	27
Climate smart agriculture Contractual project	CSA	(119,912)	603,938	685,101	-	(201,075)
Shining bright future for children with albinism	DTV	-	717,795	609,535	-	108,260
Anticipation of Community Displacement	ACD	-	666,977	627,700	(39,276)	-
Water Project for Kawawa	WPK	-	46,314	45,706	-	608
Empowering Girls in Kilwa through Education Scholarship	EGK	-	28,223	-	-	28,223
Grants from Action Aid International	CSP	243,120	4,624,915	4,906,606	38,571	-
		<b>1,114,504</b>	<b>9,001,751</b>	<b>9,489,619</b>	<b>9,817</b>	<b>636,454</b>

Funds received includes amounts received by ActiconAid Internation on behalf of the Organization and are remitted to the Organization on a need basis.

**ACTIONAID TANZANIA**

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

**23 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.

	2025 TZS'000	2024 TZS'000
<b>(a) Transactions with related parties</b>		
<b>Funds received from related parties</b>		
ActionAid International Secretariat	6,023,591	4,367,466
ActionAid Denmark	2,162,388	1,075,983
ActionAid USA	-	783,198
ActionAid UK	669,620	-
	<u>8,855,599</u>	<u>6,226,647</u>
<b>Payments made to related parties</b>		
ActionAid UK	-	17,255
ActionAid Ghana	1,355	-
	<u>1,355</u>	<u>17,255</u>
<b>(b) Amounts due from related parties</b>		

As of 31 December 2025, AATZ had the following balance due from related party member of ActionAid International as a result of payments made by AATZ on their behalf, while for ActionAid International payments between AATZ and AAI and balance relating to income raised on behalf of AATZ and is yet to be remitted.

	2025 TZS'000	2024 TZS'000
ActionAid International	1,475,717	2,042,183
AAI-Kenya	14,673	6,772
AAI Zimbabwe	-	5,531
AAI Sweden	-	396
AA International Secretariat	-	9,991
AAI Greece	21,443	21,443
AAI DRC	22,771	22,771
AAI Rwanda	-	4,946
	<u>1,534,604</u>	<u>2,114,033</u>

The balance for ActionAid International includes recharges and Funds held by ActionAid International on behalf of ActionAid Tanzania

	2025 TZS'000	2023 TZS'000
<b>(c) Amounts due to related parties</b>		
AAI Denmark	106,464	106,464
AAI Rwanda	3,202	-
	<u>109,666</u>	<u>106,464</u>

**ACTIONAID TANZANIA**

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

**23 RELATED PARTY TRANSACTIONS (CONTINUED)**

**(d) Compensation of key management personnel of the Company**

Key management personnel are described as those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly, including any director (whether executive or otherwise) and senior management team of that entity. Remuneration paid to key management personnel who were on contractual terms is as set out below:

	<b>2025</b>	<b>2024</b>
	<b>TZS'000</b>	<b>TZS'000</b>
Short-term employee benefits	462,165	476,007
Post-employment benefit	80,291	65,433
<b>Total compensation paid to key management personnel</b>	<b><u>542,456</u></b>	<b><u>541,440</u></b>

(e) There were no permanent employees during the year

**24. COMMITMENTS AND CONTINGENCIES**

Operating lease commitments

The Organization has not entered a commercial lease as of year-end.

The Organization has entered into operating lease agreements on office rent. Leased office is contracted for a period of one-year renewable. At the reporting date, the Organization has outstanding commitments under non-cancellable operating leases, which fall due as follows:

**25. EVENTS AFTER REPORTING PERIOD**

No other events after the reporting period have been identified that require adjustment to, or disclosure in, the financial statements.