

SIKIKI
ANNUAL REPORT
AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

SIKIKI

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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GENERAL INFORMATION

REGISTERED OFFICE

SIKIKI
Msasani Peninsular
Haile Selassie Road, off Mwaya Street, Masaki
Plot No. 1387C
P.O. Box 12183
Dar es Salaam, Tanzania

BANKERS

Stanbic Bank Tanzania Limited
Head Office
99A Kinondoni Road, Kinondoni
P.O. Box 72647
Dar es Salaam, Tanzania

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

LAWYERS

Association of Tanzania Employers
SSTL Building, 1st Floor
P.O. Box 2971
Dar es Salaam, Tanzania

AUDITORS

Ernst & Young
Certified Public Accountants
EY House, 162/1 – Mzinga Way,
Oysterbay Peninsular
P.O. Box 2475
Dar es Salaam, Tanzania

Firms' Registration numbers: 10-007372-Z
Firms' TIN numbers: 100-149-222
Auditors' PF Numbers: 151

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LIST OF ABBREVIATIONS

CHMT	Council Health Management Team
RHMT	Regional Health Management Team
CSOs	Civil Society Organizations
HIV	Human Immunodeficiency Virus
HFGC	Health Facility Governing Committee
HGF	Health Governance and Financing
PAC	Public Accounts Committee
HRH	Human Resources for Health
LGA	Local Government Authority
MoH	Ministry of Health
MPs	Members of Parliament
PFG	Public Finance Governance
HGP	Health Governance Programme
PO-RALG	President's Office-Regional Administration and Local Government
CSC	Community Scored Card
CLM	Community Led Monitoring
SRH	Sexual and Reproductive Health
FP/RH	Family Planning and Reproductive Health

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REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024

1. INTRODUCTION

Those charged with governance present their report and the audited financial statements for the year ended 31 December 2024, which disclose the state of affairs of Sikika (the "Organization") as at that date.

2. INCORPORATION

The Organization was initially incorporated on 17 November 2009 under Companies Act, 2002 of Tanzania as a Company Limited by Guarantee with certificate of incorporation number 73691. The Organization took over all activities of Youth Action Volunteers (YAV) with effect from 1st January 2010.

The Company was affected by the change in law as it was incorporated as a Company Limited by Guarantee with no profit objective. Following amendments of the Companies Act 2002 [R.E 2019] Consequently, the Company was struck off the BRELA register and was Registered by the Registrar of Non Governmental Organisations, SIKIKA (the Organization) was registered under the Non-Governmental Organisations Act, 2002 [R.E 2019] on 12 July 2020 with registration number 00NGO/R2/00030.

3. BACKGROUND

Sikika is a non-governmental, non-political, non-religious and not for profit organization registered in Tanzania. It is working to enhance health and public finance systems through social accountability monitoring and advocacy at all government levels

Sikika works at both central and local government levels. The Organization's boundary partners include; the policy makers such the Ministry of Health (MOH), President Office – Regional Administration and Local Government (PO–RALG) and the Ministry of Finance and Planning. Others are service providers, such as the Local Government Authorities (LGAs), and Tanzania Revenue Authority. The oversight bodies such as the councillors, National Audit Office and the Tanzania parliamentarian and their respective committees specifically the social services and public account. Others are media and civil societies and the citizens as community representatives.

At the local level the implementation was through 15 districts namely; Tanga Town Council, Pangani and Handeni DCs in Tanga Region; Geita F and Chato DC in Geita Region; Mpimbwe and Mlele DCs in Katavi Region; Shinyanga and Ushetu DCs in Shinyanga Region; Nzenga and Kaliua DCs in Tabora Region; Malinyi, Ulanga, Gairo and Morogoro DCs in Morogoro Region. We also continued working with policy makers and different partners through different platform including World AIDS Day, Technical Working Groups and Joint Annual Health Sector Review meetings.

4. VISION and MISSION

Sikika's vision is Quality Health Services for all.

5. MISSION

To enhance health and public finances systems through Social Accountability Monitoring and advocacy at all government levels.

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REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued) FOR THE YEAR ENDED 31 DECEMBER 2024

6. OBJECTIVES AND GOALS

Sikika has two programmes. The health governance programme, which has four objectives, and the public finance governance programme, which also has four objectives.

A. Health Governance Programme

Goal: Health Care Systems Strengthened

Objectives

- Increased per capital health spending, pro poor financial protection and improved financial management at facility level
- Public health facilities are adequately staffed and professionally operated
- Improved availability and accessibility of health commodities
- Improved citizen agency in the governance of health care systems, health promotion and health education

B. Public Finance Governance Programme

Goal: Sound Public Financial Management & Discipline

Objectives

- Improved forecasting, efficient and equitable collection of revenue.
- Public finances are planned and utilized in a more efficient, effective and transparent manner.
- Improved adherence to financial controls and effective oversight.
- Media and Civil Society freely monitor debate and critique government performance on PFM and cases of mismanagement of funds.

The program focused more on the fund raising by writing different international funding opportunities to ensure continuity of the program.

7. SUMMARY OF KEY ANNUAL ACTIVITIES AND OUTCOMES

7.1 Health Governance Program

The activities were carried out through the Health Governance Program (HGP) that aims to strengthen healthcare systems by addressing key challenges, including inadequate health sector funding, shortages of healthcare professionals, and limited availability and accessibility of essential medical supplies.

7.1.1 Advocacy on Domestic Resource Mobilization for HIV programs.

For the health program, Sikika continued to analyse Government health sector budget for financial year 2024/25 to determine the trend of budget allocation versus the costed Health Sector Strategic Plan V (HSSP V) and the overall share of health sector budget with regards to development and recurrent allocation on the area of HIV/AIDS, Health Commodities, and Human Resources for Health (HRH). Specifically the analysis looked the 2024/25, HIV sector budget trend allocation by the government and the effectiveness of current domestic resource mobilization (DRM) initiatives for HIV funding.

**REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024**

7. SUMMARY OF KEY ANNUAL ACTIVITIES AND OUTCOMES (Continued)

7.1.1 Advocacy on Domestic Resource Mobilization for HIV programs (Continued)

The analysis suggest that for the fiscal year 2024/25, Tanzania's national budget is projected at TZS 49.35 trillion, reflecting an 11.2% increase from the previous year's budget of TZS 44.4 trillion. The total health budget has risen from TZS 2.44 trillion in 2023/24 to TZS 2.64 trillion in 2024/25, representing a more modest increase of 8.7% compared to the overall national budget increase. The Tanzanian government has slightly increased funding allocations to HIV services from TZS 120 billion in 2023/24 to TZS 124.1 billion in 2024/25, marking a 3.4% increase. This upward trend is expected to continue with a projected budget of TZS 130 billion in 2025, representing a 4.7% increase from the previous year. The Tanzanian government's budget through the AIDS Trust Fund has a minimal increase from TZS 1.0 billion in 2020/21 and 2021/22 to TZS 1.88 billion in 2022/23 and 2023/24. The estimated annual resource needed for HIV interventions in Tanzania is TZS 2.16 trillion (USD 810 million), while the available funding averages Shillings 1.3 trillion. Yet, opportunities exist for enhancing DRM: AIDS Trust Fund (ATF); Universal Health Insurance (UHI); Public-Private Partnerships (PPPs); Innovative Financing Mechanisms; and Mainstreaming HIV Funding in Other Sectors

7.1.2 Community system strengthening to accelerate and uptake of HIV, TB and Malaria services

Further, the organization continued to implement the Global Fund for the year 2024/2026 with the same purpose of enhancing access and uptake of HIV, TB and Malaria in Tanga, Tabora, Katavi, Geita and Shinyanga regions. The implementation was done in collaboration with National Council of People Living with HIV (NACOPHA), the Network of Women Living with HIV (TNW+) , the Network of Youth Living with HIV (NY+), Mwitikio Wa Kudhibiti Kifua Kikuu Na UKIMWI Tanzania (MKUTA), the Community Network Aiding Malaria Elimination in Tanzania (CONAMET). In this GF cycle 7, Sikika was assigned to implement, Community Led Monitoring in the three diseases and to support the functionality of the Non State Actors for Health by paying salaries, and office utilities.

Some of the activities implemented include;

7.1.2.1 Community Led Monitoring inception meeting.

The activity was implemented in the 11 district councils of the project interventions. The aim was to orient the R/CHMTs and service providers on the CLM concept and collaborate during the implementation process. The exercise went along with the recruitment and training of 130 data collectors who are the service users representatives. The data collectors were assign to collect feedback on the quality of HTM services and provide feedback to the service providers and community led CSOs for action to address the challenges. The data collectors were provided with smart phone to facilitate the data collection process.

7.1.2.2 Community Scorecard on Prevention of Sexual Exploitation, Abuse and Harrasment (PSEAH)

Sikika in collaboration with the President Officer, Regional Adminstration, Local Government (PORALG) implemented a community Score card on Protection of Sexual Exploitation, Abuse and Harassment (PSEAH). PSEAH is a term used by the United Nations and non-governmental organisations (NGOs) to refer to measures taken to protect people from SEAH by their own staff and associated personnel. The purpose of PSEAH is to promote the protection of people, especially children, adults women and marginalized and risky population and other programme participants, from any harm of sexual exploitation, sexual abuse and sexual harassment that may be caused because of their engagement in health service delivery, programs and other operation. The training was conducted to the Incharges fo Health facilities, the Health Facility Governing Committee members, and the Social Welfare officer. The purpose of the training was to equip the participants with knowledge and skills that will facilitate development of mechanism to prevent SEAH at workplace.

**REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024**

7. SUMMARY OF KEY ANNUAL ACTIVITIES AND OUTCOMES (Continued)

7.1.2.2 Community Scorecard on Prevention of Sexual Exploitation, Abuse and Harrasment (PSEAH) (Continued)

More than 260 Incharges of Health facilities, HFGCs and Social Welfare officers were oriented on PSEAH and developing action plans to prevent sexual harrasment at work places.

During the exercise we learnt that the participants had experienced SEAH in their lifetime in their families and at workplaces and they all acknowledged that SEAH was not acceptable at due its outcomes being it physical, mental and psychological effects. At the end the training the participants were able to develop facility action plan for prevention of the SEAH at facility level. They also appointed key persons who will be accountable for the implementation of the action plan. It was further agreed that Sikika will take initiatives to mobilize resources for the monitoring of the progress of the implementation of the action plan including dissemination to the co - staff at their respective health facilities.

The engagement with the CSOs in planning for GF community intervention has strengthened partnership and fostered innovation by integrating different approaches and lessons learned from various organizations. It has also enhanced networks and long-term relationships that ensure project continuity beyond individual efforts. This partnership has improved project credibility as the implementation of the interventions were done jointly with partner organizations. With support of the European commission, through the Mariestopes international, Sikika continued to implement the community interventions aiming at accelerating access and uptake of adolescent Sexual and Reproductive health rights. Activities implemented include, tracking of availabilitya access of FP services and commodities among the adolescents, Media engagement (Comprehensive media outreach, Community radio and social media), Sub Nationall budget analysis on family planning, and strengthening network and alliance building to support ASRHR.

The findings show an increase in adolescents using FP/contraceptive methods from 76% to 79%, while SRH education participation slightly declined from 90% to 86%. More females (57%) received SRH education than males (43%), a trend consistent throughout the year. Satisfaction with SRH service provision reached 100%, attributed to health education by community health workers, staff, and the establishment of weekend clinics to reach more youth. Schools also expanded SRH education programs. Service delivery improved through better commodity security, driven by enhanced ordering skills among service providers following training by District Pharmacists. Additionally, over 3,000 youth received information on SRHR and FP services.

As part of the initiative towards advocacy in collaboration with CSOs and networks, Sikika in collaboration with MST and DSW conducted a SMART advocacy training on Sexual Reproductive Health budgeting and maximization on the use of SRH networks to 15 CSOs. Among others, participants were introduced to SMART advocacy processes/steps, seven guiding principles of SMART advocacy and SRH budget analysis at the district level by using CCHP as a key document. The training laid a foundation for further networking whereby 15 CSOs that participated during the training joined the Young and Alive network and attended the Young and Alive Summit in December 2024 in Arusha. Sikika and partners will engage CSOs during the subnational budget analysis for more practical experience

The findings indicate an increase in adolescents using FP/contraceptive methods from 76% to 79% and a slight decline in those receiving SRH education from 90% to 86%. More females (57%) received SRH education than males (43%), this has been consistent in the whole year. The satisfaction with SRH service provision reached to 100% and this was reported to have been contributed by provision of health education by the community health workers and staff as well as the establishment of weekend clinics in most of the health facilities that aim as reaching more youths. There has also been increased schools SRH education programs, up from 26?

On service delivery, we have observed increased commodity security through improved ordering by the services providers. This has been contributed by the training on the ordering skills that was provided by the District Pharmacists. Further, over 3,000 youth received information on sexual and reproductive health rights (SRHR) and family planning (FP) services

**REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024**

7. SUMMARY OF KEY ANNUAL ACTIVITIES AND OUTCOMES (Continued)

***7.1.2.2 Community Scorecard on Prevention of Sexual Exploitation, Abuse and Harrasment (PSEAH)
(Continued)***

On the same year, we were awarded to implement FP2030 project that aim as influencing family planning interventions Mpimbwe district council. The activities, implementation are such as community scorecard, recruitment and training to the data collectors for tracking availability and uptake of family planning services and commodities. We also implemented subnational budget analysis to determine FP budget allocation from local budget.

The analysis indicate an increasing trend of council health budget allocations from the 2022/23 to 2024/25. A significant increase of 33% from 1.6 billion to 2.4 billion, exclusive of P.E. Notably, the share of domestic allocation has been relatively fair across the years above 50% for 2023/24 and 2024/25. While the council depends largely from the central government grants, Reproductive Maternal Neonatal, Children and Adolescent Health (RMNCAH) is heavily externally dependent at 75% average. Such dependency raises a question of sustainability. The share of domestic allocation for family planning from RMNCAH has consistently remained relatively low under 1%, inadequate to address the 48.5% of an unmet need and sustain the FP services.

The support functions continue to be strengthened through its Monitoring, Evaluation, and Learning (MEL) department, which remains committed to enhancing monitoring, data collection, and reporting initiatives. The Media Department actively kept the public informed about Sikika's work and outcomes regularly sharing updates via social media throughout the reporting period. Meanwhile, the Finance and Administration Department played a crucial role in maintaining the organizational work plan by efficiently managing human resources and budgets. A key milestone was Sikika's transition is the updated electronic financial management system, which currently operational. This has contributed in improving financial oversight and control.

7.2 Media Engagement

The media department provides support to the organization's programs, including sharing of implementation and achievements information with the public. Activities under media; -

Sikika in collaboration with Marie Stopes Tanzania and DSW formed a consortium to implement interventions that intend to improve the Sexual and Reproductive Health services and commodities, among adolescents in four councils in the Morogoro region. To promote the availability of SRH services and commodities at health facilities and communities Sikika in collaboration with Marie Stopes Tanzania and DSW aired four (4) Live radio programs on one prominent radio station (Planet FM) based in Morogoro Region. The program aimed to enhance the availability, accessibility, and use of SRH commodities and services among adolescent girls and boys.

- The programs reached over 365,800 listeners around the Morogoro region and beyond.
- Listeners asked 3 questions via radio sms during the program.
- [Radio program link] (Click the link here)

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REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued) FOR THE YEAR ENDED 31 DECEMBER 2024

7. SUMMARY OF KEY ANNUAL ACTIVITIES AND OUTCOMES (Continued)

7.2 Media Engagement (Continued)

Social media platforms	Current Followers/views	Reached & Engagement	Handling Links
Twitter	25,504	35 million and engagement of over 1,790	https://twitter.com/sikika1
Facebook page	6,156	3,200 & Engagement 359 ○ Page views 2,900	https://www.facebook.com/Sikika1/
Instagram	2,235	2,300 & Engagement 1,200 ○ Page views 11,500	https://www.instagram.com/sikika1/
LinkedIn	458	19,055 impressions, 789 engagements & 3,391 reached	www.linkedin.com/in/
Youtube	1,537	111 subscribers & impressions 18,838	Sikika Tanzania
Website	3,300	3,200 new users (who have visited the online website for the first time)	https://sikika.or.tz/index.php/en/

i. Website and Social Media Strategy

The use of social media for informing stakeholders and advocacy continued in the year 2024. We have seen increased interest in Sikika's work as evident in an increased number of social media visits to our pages

- 3,300 Website users and 3,200 new users (who have visited the online website for the first time)
 - Page view 14,000
 - Event count 33,000
- Facebook 6,156 followers and people reached over 3,200 & Engagement 359
 - Page views 2,900
- Instagram 2,219 followers and reached over 2,300 & Engagement 1,200
 - Page views 11,500
- LinkedIn 436 followers, and 19,055 impressions, Engagements 789 & reached 3,391
- YouTube 1,537 views, 111 subscribers & impressions 18,838
- Twitter has 25,504 Followers and the number of tweets reached over 35 millions and engagement of over 1,790

REPORTY BY THOSE CHARGED WITH GOVERNANCE (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

7. SUMMARY OF KEY ANNUAL ACTIVITIES AND OUTCOMES (Continued)

7.2 Media Engagement (Continued)

Figure : Showing Website & social media data for 12 months (January to December 2024).



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REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued) FOR THE YEAR ENDED 31 DECEMBER 2024

8. CORPORATE GOVERNANCE

The Board of Directors consists of five directors and apart from the Executive Director, no other directors hold executive positions in the Organization. The Board takes overall responsibility for the Organization, including responsibility for identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control, policies and procedures is operative and that sound corporate governance principles are complied with.

The Board met three times during the year in compliance with the Articles of Association requiring them to meet at least twice in a year. The Board delegates the day-to-day operational activities of the Organization to the Executive Director who is assisted by management team. The management team is invited to attend board meetings and facilitates the effective control of all the Organization's operational activities by acting as a medium of communication and coordination between all the various departments.

The Organization is committed to the principles of effective corporate governance. The directors also recognize the importance of integrity, transparency and accountability. The Board of Directors of the Organization did not have any Board sub-committees during the year.

9. COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Directors of the Organization who held office during the year and to the date of this report are:

Name	Position	Qualifications or Discipline	Nationality	Date of appointment*
Halima Shariff	Chairperson	Advocacy & Media Specialist	Tanzanian	12 July 2019
Anna Baliyima	Member	Tax Consultant, CPA (T)	Tanzanian	12 July 2019
Dr. Elihuruma Nangawe	Member	Health System Specialist	Tanzanian	12 July 2019
Pili Mtambalike	Member	Media Specialist	Tanzanian	12 July 2019
Edward Furaha	Member	Business & Economic specialist	Tanzanian	12 July 2019
Irenei Kiria	Member	Public Health Specialist	Tanzanian	1 st October 2024
Alice Monyo	Secretary to the Board	Public Health Specialist	Tanzanian	9th July 2024

*The organization was duly registered on July 2019 under terms and conditions of the Non Governmental Act of 2002

MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors had 3 ordinary meetings during the year. The following is the attendance matrix for the Board meetings during the year.

Name	Position	Attendance
Halima Shariff	Chairperson	4
Dr Elihuruma Nangawe	Member	4
Anna Baliyima	Member	4
Pilli Mtambalike	Member	4
Edward Furaha	Member	4
Irenei Kiria	Member	4
Alice Monyo	Secretary	4

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REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued) FOR THE YEAR ENDED 31 DECEMBER 2024

10. MANAGEMENT

The key management members/staff who held office since 1 January 2024 to the date of this report are listed below:

Name	Position
Alice Monyo	Acting Executive Director
Beatrice Kitinde	Head of Finance Department
Emmanuel Malongoza	Acting Head of MEL
Florian Schweitzer	Head of Program, Public Finance Governance
Richard Msittu	Head of Field Office
Atuswege Mwangomale	Head of Programs Health Governance

11. FUTURE DEVELOPMENT PLANS

In 2023 Sikika embarked on a new Strategic Plan 2024 -2028. The strategic plan has two programmes, which are health governance and public finance governance programme. Both programmes contribute to a core vision of quality health services for all.

The Strategic Plan provides broad guidance for the nature of interventions that Sikika will implement over the course of the five years. However, Sikika have also embarked on projects, whereas, together with the strategic plan activities, projects are accommodated.

For the year 2024, Sikika implementation has been around the strategic plan and Nine other projects, namely, COMPASS GLOBAL FUND on HIV, Malaria, Tuberculosis, Youth for Health (Y4H) on Adolescent Sexual Reproductive Health Rights, and FP2030. For FP financial. All these projects were implemented in 15 councils of Tanzania. Funding raising is ongoing, and more projects will be accommodated as they are secured for the coming years.

12. RESULTS AND THE FINANCIAL PERFORMANCE FOR THE YEAR

The financial performance results for the year is set out on Page 20 of these financial statements and the financial position set out on Page 21. The financial performance encompass revenue generated from various funders as well as other income sources. The Other income category comprises contributions from Unrestricted fund for Institutional Administration from funders, fund balances from fixed grant contracts, and accumulated gains/loss from currency exchange, there on expenses that do not directly relate to donor are charged As a result , SIKIKA recorded a loss amounted to TZS 123,912,000 during the year (2023: TZS 82,273,000, surplus)

13. RISK MANAGEMENT AND INTERNAL CONTROL

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

- The effectiveness and efficiency of operations
- The safeguarding of the Organization's assets
- Compliance with applicable laws and regulations
- The reliability of accounting records
- Responsible behaviours towards all stakeholders.

The efficiency of any internal control system is depended on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the Organization's 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 that ended 31 December 2024 and is of the opinion that they met the accepted criteria.

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REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued) FOR THE YEAR ENDED 31 DECEMBER 2024

14. SOLVENCY AND GOING CONCERN

The Directors are satisfied that Sikika has the resources to continue in operation for the foreseeable future. Sikika maintained a continued good relationship with various donor hosting organisations for fundraising to support Sikika's operating activities for the coming years. Donor hosting organisations support are disclosed on Note 28 of the financial statements under deferred income grants.:

Furthermore, the Directors confirm that they are not aware of any material uncertainties that may cast significant doubt upon Sikika's ability to continue as a going concern. Therefore, the financial statements have been prepared on the going concern basis. The organization's state of affairs at 31 December 2024 is set out on page 20 of these financial statements.

15. EMPLOYEES' WELFARE

Management and employees' relationship

There were continued good relations between employees and Management for the year 2024. There were no unresolved complaints received by management from the employees during the year.

Medical assistance

All members of staff with a maximum number of four beneficiaries (dependents) for each employee were availed medical insurance guaranteed by the Organization.

Financial assistance to staff

House rent allowance advances are provided to all employees who have successfully completed probation as according to Sikika's policies.

Persons with disabilities

Applications for employment by disabled persons are always considered, bearing in mind the aptitudes of the concerned applicant. In the event of members of staff becoming disabled, every effort will be made to ensure that their employment with the Organization continues and that appropriate training is arranged. It is the policy of the Organization that training, career development and promotion of disabled persons should be identical to that of other employees.

16. GENDER

SIKIK is an equal opportunity employer giving equal access to employment opportunities and ensures that the best available person is appointed to any position free from discrimination of any kind and without regard to factors like gender, marital status, tribes, religion and disability that does not impair ability to discharge duties. Currently, SIKIK has 9 permanent employees out of this 5 are female and 4 male (2024: 18 permanent employees out of this 7 are female and 11 male)

17. ENVIRONMENTAL CONTROL PROGRAMME

The Organization preserves the environment through tree planting within and outside its offices and is committed to making sure that all internal and external surroundings of its offices are clean. Management also encourages employees to recycle papers or print on both sides.

18. RELATED PARTY TRANSACTIONS

Details of related party transactions and balances are given in Note 30 of the notes to the financial statements.

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REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued) FOR THE YEAR ENDED 31 DECEMBER 2024

19. POLITICAL AND CHARITABLE DONATIONS

The Organization did not make any political and charitable donations.

20. PREJUDICIAL ISSUES

In the opinion of the directors, there are no serious unfavourable matters that can affect the Organization.

21. EVENTS AFTER REPORTING DATE

There are no any other events after the reporting period that require disclosure in or adjustment to the financial statements as stated in Note 35 of the financial statements.

22. CORPORATE SOCIAL RESPONSIBILITIES

The Organization is a not-for-profit entity whose activities contribute to the improvement of public welfare. It also encourages employees' initiatives on participating in corporate social responsibilities activities.

23. STATEMENT OF COMPLIANCE

The Report by Those Charged with Governance is prepared in compliance with the new Tanzania Financial Reporting Standard No. 1 (TFRS No. 1) as issued by the National Board of Accountants and Auditors (NBAA) and which became effective from 1 January 2023. The financial statements of the Organization have been prepared in accordance with International Public-Sector Accounting Standards (IPSASs), and comply with the Non-Governmental Organizations Act, 2002 [R.E 2019] of Tanzania.

24. INDEPENDENT AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office and are eligible for re-appointment. A resolution proposing their re-appointment as the Organization's auditors for the subsequent year will be put to the next Annual General Meeting for approval.

Organization's External Auditors:

Ernst & Young
Certified Public Accountants
EY House Plot No. 162/1, Mzingu Way,
P. O. Box 2475
14111 Oysterbay,
Dar es Salaam, Tanzania

Company Registration No: 154167
TIN No: 100-149-222
NBAA Registration No: PF 151

25. RESPONSIBILITY OF THE AUDITORS

Auditors are responsible to provide assurance of the correctness and consistency of each and every information contained in the report by those charged with governance with those provided in the financial statements

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REPORT BY THOSE CHARGED WITH GOVERNANCE (Continued) FOR THE YEAR ENDED 31 DECEMBER 2024

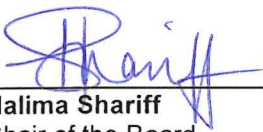
26. RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

It is the responsibility of the 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.

BY ORDER OF THE BOARD

Approved by the Board of Directors on 30th June, 2025 and signed on its behalf by:



Halima Shariff
Chair of the Board



Alice Monyo
Secretary to the Board and Executive Director

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

The Non-Governmental Organisations Act, 2002 [R.E 2019] of Tanzania, requires the directors to prepare financial statements for each financial year that present fairly in all material respects the state of financial affairs of the Organisation as at the end of each financial year and of its operating results for that year. It also requires the directors to ensure that the Organisation keeps proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the Organisation. They are also responsible for safeguarding the assets of the Organisation.

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Public Sector Accounting Standards (IPSAS). This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The directors accept responsibility for the annual 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 present fairly the state of the financial affairs of the Organisation and of their operating results in accordance of International Public Sector Accounting Standards.

The directors further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The Directors also confirm that the financial statements have been prepared on the going concern basis. This basis presumes that the Organisation will have adequate resources to meet its liabilities as and when they fall due, and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

Nothing has come to the attention of the Directors to indicate that the Organisation will not remain a going concern for at least twelve months from the date of these financial statements.

The Board of Directors are satisfied that SIKIK is financially sound and will operate as a going concern for unforeseeable future. The financial statements have accordingly been prepared on this basis.

Halima Shariff
Chair of the Board


Signature

30/06/2025
Date

Alice Monyo
Secretary to the Board and Executive Director


Signature

30th June 2025
Date

SIKIK

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

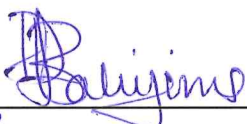
The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a Statement of Declaration issued by the Head of Finance 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 position of the entity in accordance with International Public Sector Accounting Standards and in the manner required by the Non Governmental Organisations Act, 2002 [R.E 2019]. Full legal responsibility for financial statements rests with the Board of Directors as under Directors Responsibility statement on an earlier page.

I Anna Baliyima being the head of Finance of SIKIK hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2025 have been prepared in compliance with International Public Sector Accounting Standards and in the manner required by Non Governmental Organisations Act, 2002 [R.E 2019].

I thus confirm that the financial statements give a true and fair view position of SIKIK as at 31 December 2025 and that they have been prepared based on properly maintained financial records.

Signed by:



Position:

financial consultant

NBAA Membership No.

ACPA PP344 G

Date:

30/06

2025

INDEPENDENT AUDITOR'S REPORT

*To the members of
SIKIK*

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of SIKIK (the "Organization") set out on pages 20 to 45, which comprise the statement of financial position as at 31 December 2024, and the statement of financial performance, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of SIKIK as at 31 December 2024 and of its financial performance and cash flows for the year then ended in accordance with International Public Sectors Accounting Standards and in the manner required by 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 SIKIK in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to the audit of the financial statements in Tanzania, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the pages 1 to 16 of the SIKIK financial statements for the year ended 31 December 2024, which include the General Information, List of Abbreviations, Report by those charged with Governance, Statement of Directors Responsibilities, the Declaration by the Head of Finance. The other information does not include the financial statements and our auditor's report thereon. The Directors are responsible for the other information.

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

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sectors Accounting Standards and in the manner required by the Non-Governmental Organizations 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.

INDEPENDENT AUDITOR'S REPORT (Continued)

**To the members of
SIKIKI**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (Continued)

Responsibilities of the Directors for the Financial Statements (Continued)

In preparing the financial statements, the directors are responsible for assessing the Organization'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 management either intend to liquidate the Organization 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 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 Organization'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 management's 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 Organization'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 Organization 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.

INDEPENDENT AUDITOR'S REPORT (Continued)

To the members of SIKIKA

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

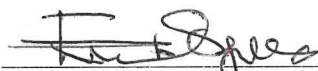
We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

This report is made solely to the Directors', as a body, in accordance with the Non-Governmental Organisation Act, 2002 [R.E 2019]. Our audit work has been undertaken so that we might state to the Members of the Board of Directors' those matters we are required to state to them in our auditor's report pursuant to the Act and our letter of engagement and for no other purposes. We do not accept or assume responsibility to anyone other than the Organisation and the Director's members as a body, for our audit work, for this report, or for the opinion we have formed.

We report to you, based on our audit, that:

- In our opinion, proper books of account have been kept by the Organization so far as appears from our examination of those books



CPA Dr. Neema Kiure – Partner (FCPA 1227)

For and on behalf of Ernst & Young
Ernst & Young
Certified Public Accountants
Dar es Salaam, Tanzania



Date: 30/06/, 2025

SIKIKI

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2024

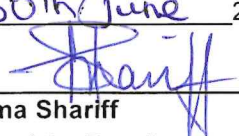
		2024	2023
	Note	TZS'000	TZS'000
Revenue from non-exchange transactions			
Grant income	6	1,039,207	1,670,283
Other Income	7	78,885	356,092
		1,118,092	2,026,375
Expenses			
Dodoma office running cost	9	-	20,659
Human resource and administration	10	187,810	277,573
AFHR -PEPFAR Project	11	-	45,308
Project costs	12	718,358	-
GLOBAL FUND Project	13	-	449,819
UNDP	14	-	77,224
AVAC project	15	-	83,018
MSI- Y4H project	16	-	248,235
AMREF project	17	-	141,000
Program Costs	18	239,895	-
GIZ BACKUP PROJECT	19	-	216,891
FCS PROJECT	20	-	92,821
AFYA YANGU-PROJECT	21	-	86,655
FIND PROJECT	22	-	125,663
PFG-GIZ Expenses Accoun	23	-	48,266
Depreciation	29	41,384	55,383
Assent value Written off	29	35,896	-
		1,223,343	1,967,945
Other Gains/(Loss)			
Gains/(loss) on foreign currency transactions	8	(18,662)	23,758
		(18,662)	23,758
(Deficit)/Surplus for the year		(123,913)	82,273

SIKIKI

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

		2024	2023
	Note	TZS'000	TZS'000
ASSETS			
Current assets			
Receivables from non-exchange transactions	24	2,395	121,327
Cash and bank balances	25	430,604	122,634
		432,999	243,961
Non-current assets			
Property and equipment	29	162,961	240,235
		162,961	240,235
TOTAL ASSETS		595,960	484,196
Current liabilities			
Trade and other payables	27	28,681	23,282
Deferred income grant	28	390,399	82,842
		419,080	106,124
Non-current liabilities			
Deferred capital grant	26	162,955	240,235
TOTAL LIABILITIES		582,036	346,359
NET ASSETS		13,924	137,837
Represented by			
Accumulated surplus		13,924	137,837
TOTAL LIABILITIES AND NET ASSETS		595,960	484,196

These financial statements were approved by the Board of Directors for issue on 30th June 2025 and were signed on its behalf by:


Halima Shariff
Chair of the Board


Alice Monyo
Secretary to the Board and
Executive Director

SIKIKI

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

	ACCUMULATED SURPLUS
	TZS'000
2024	
Balance as at January 2024	137,837
Deficity for the year	(123,913)
As at 31 December 2024	13,924
2023	
Balance as at January 2023	55,564
Surplus for the year	82,273
As at 31 December 2023	137,837

SIKIKI

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2024

		2024	2023
	Note	TZS'000	TZS'000
Operating Activities			
(Deficit)/Surplus for the year		(123,913)	82,273
Adjustment for non cash items:			
Depreciation and amortisation	29	41,384	55,383
Value of asset Written off	29	35,896	-
Amortization of capital grants	29	(77,280)	(55,383)
Foreign exchange gain/(loss)	8	18,662	(23,758)
Loss from sale of PPE		(10,000)	-
		(115,250)	58,515
Change in working capital items			
(Increase)/Decrease in trade and other receivables		118,932	(73,552)
Increase in trade and other payables		5,401	68
Increase/(Decrease) in deferred income grant		307,557	(469,165)
Net cash flow used in operating activities		316,640	(484,134)
Investing activities			
Proceed received from sale of PPE		10,000	-
Cash utilised in investing activities		10,000	-
Net increase in cash and cash equivalents		326,640	(484,134)
Movement in cash and cash equivalents			
Cash and Cash equivalent at 1 January		122,634	583,009
Foreign exchange gain/(loss)	8	(18,662)	23,758
Cash and cash equivalent at the end of the year	25	430,612	122,633

SIKIK

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Original budget 2024 TZS'000	Final budget 2024 TZS'000	Actual on comparable basis 2024 TZS'000	Performance difference 2024 TZS'000	Variance percentage of final budget 72471.12976	Notes
Income						
Grant income	1,618,583	1,618,583	1,118,093	500,490	31%	
Foreign exchange gain		-	(18,662)	18,662	100%	
Total income	1,618,583	1,618,583	1,099,431	519,152		
Expenditure						
Human resource and administration	187,812	187,812	187,812	-	0%	
FP2030	108,256	108,256	42,041	66,216	61%	51.1.1
GLOBAL FUND Project	868,302	868,302	585,643	282,659	33%	51.1.2
UNDP	5,744	5,744	5,744	-	0%	
AVAC/Compus project	105,438	105,438	105,438	-	0%	
MSI- Y4H project	265,752	265,752	219,386	46,366	17%	51.1.3
Depreciation	77,280	77,280	77,280	-	0%	
Total expenditure	1,618,583	1,618,583	1,223,343	395,241	24%	
Surplus/(deficit) for the year	-	-	(123,913)	123,913		

Note: The original and final budget compose of amounts allocated during the year to implement organisation goals & activities and approved by the Board of Directors at the budget meeting. Refer to below :

Explanations of budget adjustments

The Organization's policy is to explain all material variances between budgeted and actual comparable performance. The Organization's policy defines material variances as those variances that are equal to or greater than 10% of the final approved budget

	Budget line item	Variance amount TZS'000	Variance percentage %	Explanation
51.1.1	FP2030	66,216	61%	Implementation in progress,the project year overlaps to June 2025. most of the activities were planned to be conducted in the year 2025
51.1.2	GLOBAL FUND Project	282,659	33%	Implementation in progress,the project year overlaps to Dec 2026. most of the activities were planned to be conducted in the following grant period.
51.1.3	MSI- Y4H project	46,366	17%	Implementation in progress,the project year overlaps to June 2025. most of the activities were planned to be conducted in the year 2025

SIKIKI

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

1. GENERAL INFORMATION

Sikika (the "Organization") is an Organization domiciled in Tanzania. The financial statements of the Organization are for the year ended 31 December 2024.

The Organization was initially incorporated on 17 November 2009 under Companies Act, 2002 of Tanzania as a Company Limited by Guarantee with certificate of incorporation number 73691. The Organization took over all activities of Youth Action Volunteers (YAV) with effect from 1st January 2010.

The Organization was subsequently registered under the Non-Governmental Organisations Act, 2002 on 12 July 2020 with registration number 00NGO/R2/00030. This was following the amendment of the Companies Act, 2002 of Tanzania by Miscellaneous Amendment Act, No. 3 of 2019 which came into force on 30 June 2020 whereby, the authority to register entities which prohibit distribution of profits and which do not intend to promote commerce was transferred from the Registrar of Companies (BRELA) to the Registrar of Non-Government Organisations (NGOs).

2. BASIS OF PREPARATION, STATEMENT OF COMPLIANCE AND GOING CONCERN

(i) 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. The financial statements are presented in thousands Tanzania Shillings (TZS '000) and all values are rounded to the nearest thousand 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 3

(ii) GOING CONCERN

The financial statements of SIKIKA have been prepared on the going concern basis on. This basis presumes that the organisation will have adequate resources to meet its liabilities as and when they fall due, and that the realisation of assets and settlement of liabilities will occur in the ordinary course of operation.

The directors have made an assessment of the organisation's ability to continue as a going concern and are satisfied that the organisation has the resources to continue in operational existence for the foreseeable future. The organisation has active contract with Marie Stoppes International(MSI), under European Union(EU), FP2030, PZAT-Compas project and Global Fund for implementing organisation activities for the financial year 2024 and is looking for future contracts to be negotiated for funding future programmes, the directors are confident they will secure funds for future programmes.

Furthermore, the directors confirm that they are not aware of any material uncertainties that may cast significant doubt upon the school's ability to continue as a going concern. Therefore, the financial statements have been prepared on the going concern basis

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

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards and interpretations

The accounting policies adopted by SIKIK are consistent with those of the previous financial year. Standards that are issued but not yet effective, which are effective for accounting period beginning on or after 01 January 2024 listed below:

- IPSAS 43 – Leases - Effective date beginning on or after 1 January 2025.
- IPSAS 44 – Non-Current Assets Held for Sale and Discontinued Operations - Effective date beginning on or after 1 January 2025.
- IPSAS 45 – Property, Plant and Equipment (Replaces IPSAS 17) Effective date beginning on or after 1 January 2025.
- IPSAS 46 – Measurements and Updates to Conceptual Framework Effective date on or after 1 January 2025.
- IPSAS 49 Retirement Benefit Plans Effective date on or after 1 January 2026

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 SIKIK.

4. MATERIAL ACCOUNTING POLICIES

a) Revenue recognition

(i) 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.

(ii) Revenue from non-exchange transactions

Revenue from non-exchange transactions is governed by IPSAS 23 and mainly comprises taxes and transfers. Revenue from Non- Exchange Transaction of the SIKIK includes grants from donors.

Grants

Income received in form of grants is recognized where there is reasonable assurance that the grant will be received, and all attaching conditions will be complied with.

Where the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Thus, donors' advances are treated as deferred income and transferred to statement of financial performance when the related expenditure is incurred.

Where the grant relates to an asset, the fair value is credited to capital grants account and is released to the statement of financial performance over the expected useful life of the relevant asset by equal annual instalments. Income from other income generating activities is recognized to the extent that it is probable that the economic benefits will flow to the Organisation and the income can be reliably measured.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024****4. MATERIAL ACCOUNTING POLICIES (Continued)****a) Foreign currency translation*****Functional and presentation currency***

Items included in the financial statements of the organization are measured using the currency of the primary economic environment in which the organization operates ("the functional currency"). The financial statements are presented in thousands Tanzanian Shillings (TZS '000), which is the organization's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the dates when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in the statement of financial performance in the period in which they arise. Cash flows arising from transactions in a foreign currency are recorded in Tanzanian Shillings by applying to the foreign currency amount the exchange rate between Tanzanian Shilling and the foreign currency at the date of the cash flow.

b) Cash and cash equivalents

Cash and bank balances in the statement of financial position comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents comprise of cash in hand and at bank as defined above.

c) Provisions

Provisions are recognised when the organization has a present obligation (legal or constructive) as a result of a past event, if 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.

Contingent liabilities

The organisation does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

The organisation does not recognize a contingent asset but discloses details of possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the organisation in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and related revenue are recognized in the financial statements of the period in which the change occurs

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024****4. MATERIAL ACCOUNTING POLICIES (Continued)****d) Accounts receivables**

Accounts receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement accounts receivables are carried at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in surplus/deficit when the accounts receivables are derecognised or impaired, as well as through the amortisation process.

e) Employee benefits***Short-term employee benefit***

The cost of short-term employee benefits (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonus and non-monetary benefits such as medical care), are recognized in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

Defined contribution plans

The organization operates a defined contribution plan for its employees. A defined contribution plan is a plan under which the organization pays fixed contributions into a separate entity. The organization 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 organization and its employees contribute to the National Social Security Fund (NSSF) which is a defined contribution scheme. The organization contributions 10% of the employee gross emoluments to the defined contribution scheme are charged to the statement of financial performance in the period to which they relate.

Termination benefit

Termination benefits are recognised as an expense in the year when it becomes payable. Termination benefits are determined in accordance with the Tanzanian Labour Law.

f) 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. If not, they are presented as non-current liabilities. Accounts payable are recognised initially at fair value.

g) Property and equipment***Recognition and measurement***

Items of property and equipment are stated at cost less accumulated and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to the working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Borrowing costs related to the acquisition or construction of qualifying assets are capitalised as incurred.

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

4. MATERIAL ACCOUNTING POLICIES (Continued)

g) Property and equipment (Continued)

Recognition and measurement (Continued)

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognised in profit or loss.

Subsequent cost

The cost of replacing part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the organization and its costs can be measured reliably. The carrying amount of the replaced part is derecognised. The cost of day to day servicing of property and equipment are recognised in the statement of financial performance as incurred.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The annual rates for the estimated useful lives for the current and comparative periods are as follows:

Class	Rate
Office furniture	12.50%
Office and electrical equipment	17.50%
Motor vehicles	25.00%
Computer equipment	33.33%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Land is not depreciated.

Impairment

Impairment tests are performed on property and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property and 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.

De-recognition

The carrying amount of an item of property and equipment is derecognized when asset is disposed; or when no future economic benefits or service potentials are expected from its use or disposal. Gains and losses on de-recognition of property and equipment is determined by reference to their carrying amount and is considered in determining operating profit.

h) Intangible assets

Intangible assets acquired separately are measured on initial recognition cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets are not capitalised, and expenditure is charged against surplus or deficit in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be finite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

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

4. MATERIAL ACCOUNTING POLICIES (Continued)

h) Intangible assets (Continued)

The amortisation period and the amortisation method for an intangible asset are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of financial performance.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in surplus or deficit when the asset is derecognised.

i) leases

Organisation as a lessee

Operating lease are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the organisation. Operating lease payments are recognised as an expense in the statement of financial performance on a straight-line basis over the lease term.

Organisation as a lessor

Leases that does not transfer substantially all the risks and benefits incidental to ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the lease asset and recognized over the lease term. Rent received from an operating lease is recognized as income on straight line basis over the lease term. Contingent rents are recognized as revenue in the period in which they are earned

j) Taxes

Income tax

SIKIK income depends 100% grants from donors to implement strategic objectives and programmes approved by donors.

S. 64.- (1) and (8) of The Income Tax Act outlines the requirements for an entity to be recognised as a charitable organization. In addition to the qualities specified under subsection 8, an entity shall be recognised as a charitable organisation upon successful application to the Commissioner for the ruling with the Commissioner under section 131 currently in force stating that it is a charitable organisation or religious organisation. As per the requirements of the Income Tax Act, for the purposes of calculating the income of a charitable organisation for any year of income from its charitable business:

- (a) There shall be included, together with any other amounts required to be included under other provisions of the Act, all gifts and donations received by the organization; and
- (b) There shall be deducted, together with any other amounts' deductible under other provisions of the Act;
 - (i) Amounts applied in pursuit of the organization's functions as specified under S 64-(8) of the Act.
 - (ii) 25 percent of the organization's income from its charitable business (calculated without any deduction under subparagraph (i)) and any investments.

SIKIK is required to pay some taxes such as withholding taxes, Pay-As-You-Earn and other indirect taxes that are not exempted on charitable activities.

SIKIK

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

4. MATERIAL ACCOUNTING POLICIES (Continued)

j) Taxes (Continued)

On 07th day of September 2012, SIKIKA granted charitable status. Charitable Status Ruling (Made Under Section 11 of the Tax Administration Act, Cap 438). SIKIKA has been certified under the seal of the Domestic Revenue Department of the Tanzania Revenue Authority (TRA), that SIKIKA has satisfied all the conditions set out under Section 64(8) of the Income Tax Act, Cap 332 and hereby issued with the Certificate that it is a Charitable Organisation with effect from the year of income 2012.

Value added tax

Expenses and assets are recognised inclusive of the amount of Value Added Tax (VAT) except where the VAT incurred on a purchase of assets or services is recoverable from the taxation authority, in which case the value added tax is recognised as an asset.

k) Impairment of non-financial assets

SIKIKA assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the organization makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are 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. Impairment losses of continuing operations are recognised in the statement of financial performance in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of financial performance. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

l) Financial Instruments

Classification

Financial instruments as reflected in the statement of financial position include all financial assets and financial liabilities but exclude property and equipment. The organisation determines the appropriate classification at initial recognition of the financial instrument. Financial instruments of the organisation are classified as follows:

Financial assets and Liabilities

Financial assets and financial liabilities are recognized in the organisation's statement of financial position when the organisation becomes a party to the contractual provision of the instrument.

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

4. MATERIAL ACCOUNTING POLICIES (Continued)

m) Budget information

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of SIKIK programmes and other activities. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis or timing differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts. Explanatory comments are provided in the notes to the annual financial statements; first, the reasons for overall growth or decline in the budget are stated, followed by details of overspending or underspending online items.

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the organization'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.

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.

Judgments

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

Going concern

The financial statements of SIKIK have been prepared on the going concern basis on. This basis presumes that the organisation will have adequate resources to meet its liabilities as and when they fall due, and that the realisation of assets and settlement of liabilities will occur in the ordinary course of operation.

The directors have made an assessment of the organisation's ability to continue as a going concern and are satisfied that the organisation has the resources to continue in operational existence for the foreseeable future. The organisation has active contracts with donors and the directors are confident that donors will honour their commitment to provide funding to the organisation.

Estimates and assumptions

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.

Determination of the useful lives of property, and equipment

Management uses reasonable judgment in determining the useful lives of property and equipment and hence depreciation rates of the items of property and equipment.

SIKIKI

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

	<u>2024</u>	<u>2023</u>
	TZS'000	TZS'000
6. GRANTS INCOME		
Grants income (Note 28)	961,928	1,614,900
Amortization of capital grant (Note 26)	77,279	55,383
	<u>1,039,207</u>	<u>1,670,283</u>
7. OTHER INCOME		
Institutional fees and other miscellaneous income	78,885	356,092
	<u>78,885</u>	<u>356,092</u>
8. FOREIGN EXCHANGE GAIN/(LOSS)		
Foreign exchange gain/(loss)	(18,662)	23,758
	<u>(18,662)</u>	<u>23,758</u>
9. DODOMA OFFICE RUNNING COST		
Electricity	-	579
Fiber optic cable, internet and communication	-	448
Field office administrative support	-	3,390
Garbage disposal cleaning items and upkeep	-	816
Mobile transactional charges	-	135
Office rent	-	930
Office security	-	9,800
First Aid Kit & other associated cost	-	2,936
Program stationaries	-	500
Water bills	-	1,005
Program stationaries	-	120
	<u>-</u>	<u>20,659</u>

SIKIKI

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

	2024	2023
	TZS'000	TZS'000
10. HUMAN RESOURCE AND ADMINISTRATION		
Program Running Cost		
Audit fee	21,167	17,709
Bank charges	5,471	7,506
Internet cable-Ternet+ bnhcomm	60	6,071
Electricity	4,500	11,640
Garbage disposal & cleaning items + upkeep	-	1,516
Legal fees and associated costs	539	3,180
Office and compound cleaning	1,872	14
Office equipment repair and maintenance	627	2,187
Printer and supplies	5,616	125
Interns	71,599	11,825
Office rent 6	29,321	51,695
Office Security + bus fare	14,182	21,996
Publication	-	413
Vehicle insurance & fees	4,265	7,730
Vehicle repairs and maintenance	9,689	14,035
Vehicle security-car-Track	455	656
Office Transport	7,185	-
Water bills	723	400
Staff welfare and beverements	-	6,320
Fuel for vehicle and Generator	1,580	18,720
Office drinking water and tea	1,682	1,281
Staff Health Insurance	-	3,871
Board meetings	2,100	1,000
Coordination allowance	-	59,478
IT support	5,177	28,206
Total	187,810	277,573

SIKIKI

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

	2024	2023
	TZS'000	TZS'000
11. AFHR -PEPFAR PROJECT		
Program Cost-PEPFAR _AFHR	-	18,368
Project Inception	-	3,490
Monitoring of agreed action plan	-	680
Food and Refreshments	-	120
Transport and communication Data Collec	-	4,400
Transport allowance for participants	-	1,920
DSA (Perdiem & Lodging)-3 quarters	-	1,490
Travel for SU & CHMT members	-	4,245
DSA (Perdiem & Lodging)-3 quarters	-	4,070
Miscellaneous (Projector hiring)	-	4,380
Laptop & Tablets	-	2,145
	-	45,308
12. PROJECT COSTS		
Budget analysis	3,000	-
Community Lead Monitoring	3,000	-
Community score card	151,756	-
Consultancy & facilitation fees	2,044	-
Laptops to stakeholders	8,004	-
Local transport cost	9,717	-
Media house & Social media engagement	45,115	-
Network and alliance capacity building	43,422	-
Participation to national events	14,646	-
Partners training & Capacity building	108,919	-
Project inception meetings	217,800	-
Resource mobilization	11,297	-
Seminars and conferences	2,579	-
Social accountability monitoring	3,686	-
Stakeholders administration cost	10,000	-
Stakeholders consultative meetings	20,197	-
Tablets/Mobile phones to stakeholders	28,000	-
Admin cost contribution	35,176	-
	718,358	-
13. GLOBAL FUND PROJECT		
BL-485-Desseminate agreed action plan	-	21,019
BL-387-To capacitate health workers	-	175,478
BL-401-To support annual meeting for Pub	-	58,932
BL-482-Supportive supervisionmentorship	-	194,390
	-	449,819

SIKIKI

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

	2024	2023
	TZS'000	TZS'000
14. UNDP		
Radio Programs Designing	-	-
Airing of the radio mentions	-	5,700
Local transport for community members an	-	2,619
Printing of Training materials for commu	-	-
Allowance to LGA Members	-	-
Local Transport Facilitators	-	1,220
Facilitators cost	-	-
Allowance to PCCB Officers	-	-
Air tickets supervisors	-	1,010
Food & Refreshment	-	-
Consultancy for capacity assesment	-	750
Capacity building sessions on public exp	-	24,586
Facilitators cost -Training	-	13,623
Local Transport Facilitators-Training	-	6,690
Conference Package-Training	-	8,497
Admin costs	-	12,530
	-	77,224
15. AVAC PROJECT		
Program costs - AVAC	-	43,379
Health/dental insurance	-	4,590
Domestic resource mobilization	-	7,789
Facilitators costs	-	570
Training and analysis	-	-
MERL roadshow meeting	-	-
Internal meetings with CHMTS	-	-
Feedback to the communities	-	-
Quarterly meetings with compas patners	-	4,750
Capacity building to CSOs and CBOs	-	-
Monitoring of Domestic Resource Mobiliza	-	4,644
Facilitators costs	-	3,385
Consultative meetings with policy makers	-	1,440.00
Reflection meetings with CSOs working on	-	1,644
15% Indirect Cost	-	10,828
	-	83,018

SIKIKI

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

	2024 TZS'000	2023 TZS'000
16. MSI -Y4H project		
Program Cost-MSI 1.1	-	84,611
International Travel Sikika- perdiem 1.3	-	22,705
Local transport-Sikika perdiem 1.3.2	-	22,613
Seminar and conference 1.3.3	-	8,569
International Travel - Sikika 2.1	-	-
Local transport- Sikika 2.2	-	60,561
Furniture 3.2	-	4,180
Vehicle running costs 4.1	-	3,150
Administration cost - MSI project 4.2	-	-
Consumables- MSI project 4.3	-	434
Conference Package communication-3.1.2	-	5,870
Data collectors mobile phones 3.2.2	-	6,790
Consultative Session with policy makers	-	7,637
Media 3.3.4	-	2,275
Consultative with CHMT and CSOs 3.4.1	-	2,600
7% Indirect Costs MSI	-	16,240
	-	248,235
17. AMREF PROJECT		
Time contribution	-	76,528
Project Preparation & Trainings	-	120
Data collection and Feedbacks	-	15,222
Quarterly feedback meetings	-	45,323
Quarterly feedback meetings-SU's	-	3,807
Mobile phone	-	-
	-	141,000
18. PROGRAM COSTS		
Salary and wages*	239,895	-
	239,895	-
*In prior year, the total salaries was TZS 127 million which was presented in AVAC and MSI project notes.		
19. GIZ BACKUP PROJECT		
GIZ BACKUP-Program Costs	-	65,409
Transportation / Travel Costs	-	96,053
Training costs	-	37,647
Other costs / Consumables	-	-
Administration Costs	-	17,782
	-	216,891

SIKIKI

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

		2024	2023
		TZS'000	TZS'000
20.	FCS PROJECT		
	FCS PROJECT-Program Costs	-	10,365
	CSO week organized	-	1,020
	Quarterly cluster meetings	-	14,000
	Health sector budget analysis for FY 202	-	13,618
	Joint advocacy engagement with MP's	-	269
	Capacity Building on Risks Management	-	5,355
	Lead other CSO's to develop policy bri	-	1,970
	Press conference with Journalists	-	7,817
	Field visit monitoring	-	15,830
	Participate in FCS event in Dodoma	-	3,610
	Media strategic session of Malumbano ya	-	4,590
	Training on PETS/SAM monitoring and rep	-	330
	SMART Advocacy Training	-	14,047
		-	92,821
21	AFYA YANGU-PROJECT		
	Program costs-Afya yangu Tanganyika	-	44,232
	Afya yangu Administration cost-Tanganyik	-	3,536
	Project activiest-Tanganyika Afya yangu	-	26,951
	Activity cost -Afya Yangu Mpimbwe	-	11,936
		-	86,655
22	FIND PROJECT		
	FIND PROJECT-Program Costs	-	56,982
	Situational analysis of C19 on testing	-	4,323
	Dialogues with CHMTS RHMTS and CSO	-	5,310
	Quartely monitoring of testing serices	-	8,520
	Quarterly collection of users feedback	-	16,997
	Media Engagement Tracking	-	16,929
	Social Media Strategies & Website	-	3,138
	Indirect costs (Insitutional fee)	-	13,464
		-	125,663
23	PFG-GIZ EXPENSES ACCOUN		
	PFG-Program Cost	-	25,767
	Internal Audit Function	-	4,416
	Voluntary Tax Compliance	-	13,101
	Sub National Budget Survey (SNOBS)	-	4,982
		-	48,266

SIKIKI

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

	2024	2023
	TZS '000	TZS'000
24. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
Staff receivable	1,928	2,349
Other receivable	467	473
Grant receivable	-	118,505
	<u>2,395</u>	<u>121,327</u>
25. CASH AND BANK BALANCES		
Stanbic bank - TZS	46	484
Stanbic bank - US\$ account	34,102	2,461
NMB bank - TZS account	5,673	83,481
NMB bank - US\$ account	97,375	2,600
NMB fixed deposit - TZS account	11,381	31,577
STANBIC TZS-Global Fund Project	281,742	852
FIND PROJECT STANBIC-TZS ACCOUNT	131	483
GIZ BACKUP STANBIC-TZS ACCOUNT	85	289
NMB AFYA YANGU-TZS ACCOUNT	69	407
	<u>430,604</u>	<u>122,634</u>
26. DEFERRED CAPITAL GRANTS		
At January	240,235	295,618
Funds received during the year	-	-
	<u>240,235</u>	<u>295,618</u>
Amortisation of grants (Note 6)	(41,384)	(55,383)
Asset value written off released from capital grants (Note 6)	(35,896)	-
As at December	<u>162,955</u>	<u>240,235</u>
27. TRADE AND OTHER PAYABLE		
Accrued expenses	2,314	3,386
Accrued audit fees	18,368	17,709
Payrol related items (PAYE,NSSF,WCF)	7,570	-
Staff payable	429	429
Other payables	-	1,758
	<u>28,681</u>	<u>23,282</u>

SIKIKI

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

	2024	2023
	TZS'000	TZS'000
28. DEFERRED INCOME GRANTS		
At January	82,842	552,008
Funds received during the year		
- PEPFAR	-	47,648
- UNDP	-	83,414
- FP2030	111,210	-
- GLOBAL FUND (MOH)	866,607	274,397
- GLOBAL FUND (AMREF)	-	144,655
- AVAC/COMPAS	101,885	83,910
MSI PROJECT	193,281	279,679-
AFYA YANGU-JHPIEGO	-	139,668
FCS	-	76,928
GIZ- PFG	-	17,562
Sub-total	1,355,825	1,699,869
Refund to donors	-	(2,127)
Utilized during the year to grants revenue (Note 6)	(961,928)	(1,614,900)
Utilized during the year to other income	(3,498)	-
As at December	390,399	82,842

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

29. PROPERTY AND EQUIPMENT

	Office and electrical equipment	Computer and accessories	Office furnitures	Motor vehicles	Land	Total
<u>Cost/Valuation</u>	<u>TZS'000</u>	<u>TZS'000</u>	<u>TZS'000</u>	<u>TZS'000</u>	<u>TZS'000</u>	<u>TZS'000</u>
As at 1 January 2024	147,415	205,668	25,742	819,096	162,780	1,360,701
Asset disposal	(68,898)	-	-	(198,552)	-	(267,450)
Asset Value Written off				(35,896)		(35,896)
As at 31 December 2024	78,517	205,668	25,742	584,648	162,780	1,057,355
<u>Cost/Valuation</u>						
As at 1 January 2023	226,737	228,312	39,165	909,791	162,780	1,566,785
Asset disposal	(37,191)				-	(37,191)
Asset Value Written off	(42,131)	(22,644)	(13,423)	(90,695)		(163,952)
As at 31 December 2023	147,415	205,668	25,742	819,096	162,780	1,360,701
<u>Accumulated depreciation</u>						
As at 1 January 2024	146,942	200,479	25,742	747,304	-	1,120,467
Charges for the year	299	5,189	-	35,898	-	41,384
Asset Disposal	(68,898)	-	-	(162,656)	-	(231,554)
Asset Value Written off				(35,896)		(35,896)
As at 31 December 2024	78,343	205,668	25,742	584,650	-	894,403
<u>Accumulated depreciation</u>						
As at 1 January 2023	225,973	215,892	39,165	790,138	-	1,271,168
Charges for the year	291	7,231	-	47,861	-	55,383
Asset Disposal	(37,191)	-	-	-	-	(37,191)
Asset Value Written off	(42,131)	(22,644)	(13,423)	(90,695)		(163,952)
As at 31 December 2023	146,942	200,479	25,742	747,304	-	1,120,467
<u>Net book value</u>						
As at 31 December 2024	174	-	-	-	162,780	162,952
As at 31 December 2023	473	5,189	-	71,792	162,780	240,234

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

29. PROPERTY AND EQUIPMENT (Continued)

Note: Included in the Property and equipment are assets with original costs that are full depreciated but still in use, the initial costs are presented in Tanzania shillings as indicated below:-

	Office and electrical equipment	Computer and accessories	Office furnitures	Motor vehicles	Land	Total
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
As at 31 December 2024	78,343	205,667	25,742	584,648	-	894,402
As at 31 December 2023	144,340	184,715	25,742	627,652		982,449

SIKIKI

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

30. RELATED PARTY TRANSACTIONS

Related party transactions during the year comprise of transactions between the organization and directors and key management personnel. Key management personnel and directors comprise of the following;

	2024 TZS'000	2023 TZS'000
Salary and benefits to key management personnel	239,894	248,197
Allowance to directors	-	-

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Organisation is exposed to liquidity risk, market risk and credit risk. The Organisation senior management oversees the management of these risks. The Board of Directors reviews and approves policies for managing each of these risks as listed below:

- Liquidity risk
- Market risk -
- Credit risk

The organization's objectives, policies and processes for measuring and managing risk as indicated above are presented with quantitative disclosures. The Directors have overall responsibility of the establishment and oversight of the organization's risk management framework.

The organization's risk management policies are established to identify and analyse the risks faced by the organization, to set appropriate risk limits and controls, and to monitor risk adherence to limits. Management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The organization, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

Liquidity risk

Liquidity risk is the risk that SIKIKA will not be able to meet its financial obligations as they fall due. SIKIKA's approach to managing liquidity is to ensure, as far as possible, that it will always have enough liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk damaging Sikika's reputation.

SIKIKA monitors its exposure to liquidity risk using 5-year strategic plan, annual work plan and budget. SIKIKA's exposure to liquidity risk is considered low due to existence of sufficient cash and bank balances with relatively low amounts payable and to the fact that it has entered into a commitment agreement with donors whereby each donor committed to disburse funds immediately after receiving reports from Sikika.

The Organization has a policy not to utilise debt or overdraft facilities where necessary.

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

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk (Continued)

Maturity profile of non-derivative financial liabilities based on the contractual cash flows and excluding impact of netting is as follows:

	Carrying amount TZS'000	Contractual cash flows TZS'000	Within 1 year TZS'000
2024			
Trade and other payable	28,682	28,682	28,682
2023			
Trade and other payable	26,333	26,333	26,333

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect Sikika 's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The organization is exposed to currency risk on financial assets and liabilities that are denominated in a currency other than the respective functional currency of the organization (Tanzanian Shillings - TZS). The other currency in which the organization transacts with donors is US Dollars (USD).

Exposure to currency risk for foreign denominated amounts in the following classes of financial instruments.

	2024 TZS'000	2023 TZS'000
Cash and cash equivalents	131,477	122,634
Audit fee payable	(18,368)	(17,709)
Net exposure	113,109	565,301

The rate of exchange as at 31 December 2024 is USD 1 = TZS 2,394.73. Strengthening of USD against TZS by 10% means that the rate of exchange will move to USD 1 = TZS 2,634.203

The rate of exchange as at 31 December 2023 is USD 1 = TZS 2,308.89. Strengthening of USD against TZS by 10% means that the rate of exchange will move to USD 1 = TZS 2,539.779

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

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk

Credit risk is the risk of financial loss to the organization if counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the organization's balances receivable and money maintained in bank accounts. The organization has no material credit risk exposure.

32. COMMITMENTS AND CONTINGENT LIABILITIES

The directors confirm that there was no commitment and contingent liabilities as at 31 Dec 2024

33. OPERATING LEASES

Organization has leased office space from other companies. As at the year-end the Organization had leasing commitment and incurred lease expenses as follows:

	2024	2023
	TZS'000	TZS'000
<u>Lease commitment:</u>		
Office Space payable in one year	44,809	44,809
Office space payable two to five years	44,809	44,809
<u>Lease expense**</u>		
Dar es salaam	44,809	44,809
	44,809	44,809

**The amount is included within department expenses in the statement of financial performance in the surplus or deficit for the year.

34. COMPARATIVES

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year

35. EVENTS AFTER THE REPORTING PERIOD

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. Two types of events can be identified:

- a. those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
- b. those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).

The directors are not aware of any other matters or circumstances arising after the reporting period that requires adjustment to or disclosure in the financial statements.