

TANZANIA ORGANIZATION OF SERVICING ORPHANS AND VULNERABLE CHILDREN (TOSOVC)

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

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ORGANIZATION INFORMATION

ORGANIZATION: TANZANIA ORGANIZATION OF SERVICING ORPHANS AND VULNERABLE CHILDREN
(TOSOVC)

MANGINGDIRECTOR

NIKODEMAS J. LUHEHE

TANZANIAN

REGISTEREDOFFICE:

50106 kashaulili ward, mpanda
P o box 216, mpanda- katavi
Tanzania

PRINCIPAL BANKERS

TCB BANK
Mpanda Branch

AUDITORS:

Universe Auditors and Tax Consultants
Certified Public Accountants
P. O. Box 31922,
Dar es Salaam, Tanzania.

Audited financial statements for the year ended 31 December 2024

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

The Directors of TANZANIA ORGANIZATION OF SERVICING ORPHANS AND VULNERABLE CHILDREN (TOSOVC) submit their report together with the audited financial statements for the year ended 31 December 2024, which disclose the state of affairs of TANZANIA ORGANIZATION OF SERVICING ORPHANS AND VULNERABLE CHILDREN (TOSOVC)

INCORPORATION

The Tanzania Organization of Serving Orphans and Vulnerable Children (TOSOVC) was established in 2020 with the aim of improving the welfare and future opportunities of orphans and vulnerable children across Tanzania. The organization was founded in response to the rising number of children facing challenges related to poverty, loss of parents, limited access to education, and inadequate health care support.

TOSOVC is headquartered in **Mpanda Municipal, Kashaulili Street**, at the **former Mpanda District Council offices**. The organization works hand-in-hand with community leaders, government institutions, health facilities, schools, and development partners to ensure that children receive holistic support for long-term well-being.

PRINCIPAL ACTIVITIES

- Conducting health outreach programs and awareness campaigns on hygiene, nutrition, and disease prevention.
- Providing medical screening, mobile clinic services, and referrals for specialized treatment.
- Paying school fees and providing uniforms, books, and learning materials for orphans and vulnerable children.
- Running tutoring programs, remedial classes, and community-based learning centers.
- Facilitating digital learning and computer literacy programs.
- Identifying and supporting vulnerable children with food, clothing, shelter assistance, and emotional support.
- Training communities and caregivers on child protection and safeguarding practices.
- Working with social welfare offices to address cases of abuse, neglect, and exploitation.
- Supporting community groups engaged in child welfare and development.
- Organizing sports events and recreational activities that promote physical and mental health.
- Providing sports equipment and safe play environments.
- Supporting talent identification and development in sports, arts, and music.
- Advocating for improved health and education services for vulnerable children.
- Participating in local and national platforms that promote children's rights and welfare.

RESULTS FOR THE YEAR

These are set out on pages 7 to 10 of these financial statements.

CORPORATE GOVERNANCE

The Board consists of seven directors headed by Board Chairperson. The Board takes overall responsibility for the Organization, including the responsibility for identifying key risk areas, considering and monitoring decisions, considering significant financial matters and reviewing the performance of management plans and budgets. The Board of Directors is also responsible for ensuring that comprehensive system of internal control policies and procedures is operative and for compliance with sound corporate governance principles.

Audited financial statements for the year ended 31 December 2024

DIRECTORS' REPORT (CONTINUED)

1. COMPOSITION OF BOARD OF DIRECTORS

The directors of TANZANIA ORGANIZATION OF SERVICING ORPHANS AND VULNERABLE CHILDREN [TOSOVC] at the date of this report, all of whom have served since 1 January 2024 except otherwise stated are:

S/N	Name	Position	Qualification / Profile Summary	Date of Appointment	End of Term
01	Mr. Frank J. Kasagala	Chairperson	A seasoned educator with a master’s degree from the University of Dar es Salaam. Has extensive experience in education and administration. Provides strategic guidance to the Board and supports organizational success.	June 2022	June 2025
02	Mr. Nkadermas Luhile	Secretary	A skilled project manager with a bachelor’s degree and pursuing a Master’s in Monitoring & Evaluation. Has strong analytical capability, program evaluation skills, and experience in community development programs.	—	—
03	Mr. George Kasabwe	Member	Experienced Program Manager with background in managing organizational programs, driving decision-making, systematic monitoring, and performance tracking. Has extensive knowledge of impact evaluation and project implementation.	—	—
04	Dr. Rebecca Mdee	Member	A distinguished board member with academic and practical expertise in education, public health, and community development. Experienced in policy engagement and development projects.	Sept 2024	Sept 2027
05	Hon. Mola Shoo	Member	Tanzanian Parliamentarian with wide experience in governance, public administration, and community service. Has contributed to various policy initiatives.	Nov 2021	Nov 2024
06	Ms. Symphorian Mkindokwela	Member	Highly experienced in financial and administrative management. Skilled in coordinating development projects, budgeting, financial reporting, and organizational resource allocation.	—	—

2. FUTURE DEVELOPMENT PLANS

In the next five years, Future Plan Tanzania – Organization for Servicing Orphans and Vulnerable Children [TOSOVC] aims to enhance its institutional capacity, strengthen governance structures, and improve operational efficiency. The organization will work to diversify its funding base through strategic partnerships, donor engagement, and sustainable income-generating initiatives.

Future Tanzania will focus on empowering orphans, vulnerable children, and their caretakers by expanding programs related to education support, basic needs, psychosocial services, and child protection. In addition, the organization will introduce community-based initiatives that promote sustainable livelihoods, youth skills development, and inclusive participation, particularly among women and marginalized households.

To respond effectively to emerging challenges, the organization will also integrate climate-resilient community practices and awareness programs that help safeguard children’s wellbeing and long-term development.

To ensure accountability, transparency, and measurable impact, Future Tanzania will establish a comprehensive monitoring and evaluation framework, conduct periodic reviews, and provide timely reports to beneficiaries, partners, and key stakeholders.

3. 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:

RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

- The effectiveness and efficiency of operations.
- The safeguard of the Organization's assets.
- Compliance with applicable laws and regulations.
- The reliability of accounting records.
- Business sustainability under normal as well as adverse conditions; and
- Responsible behaviors towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance with such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the Organization system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively. The Board assessed the internal control systems throughout the financial year ended 31 December 2024 and is of the opinion that they met accepted criteria.

9. SOLVENCY

The Board of Directors confirms that applicable International Financial Reporting Standards (IFRS) have been followed and that the financial statements have been prepared on a going concern basis. The Board of Directors has reasonable expectations that the Organization has adequate resources to continue in operational existence for the foreseeable future.

10. ADMINISTRATION POLICIES AND FINANCIAL REGULATIONS

Tanzania Organization of Servicing Orphans and Vulnerable Children has formal Financial and Administration regulations approved by the Board of Directors of Tanzania Organization of Servicing Orphans and Vulnerable Children. These provide solid basis for accountability and high standards within the Organization.

11. EMPLOYEE WELFARE

Medical Assistance

All members of staff and their dependents are covered with medical insurance.

Training

Tanzania Organization of Servicing Orphans and Vulnerable Children organizes regular learning sessions aimed at enhancing staff skills and widening the understanding of relevance of Devolvement work as well as for personal development. In addition, the Organization pays contribution to school fees for employees' children and dependents.

Employment opportunities

Tanzania Organization of Servicing Orphans and Vulnerable Children

is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribe, religion and disability, which does not impair the ability to discharge official duties.

Employees Benefit Plan

The Organization pays contributions to publicly administered pension plans on a mandatory basis, which qualifies to be a defined contribution plan.

Audited financial statements for the year ended 31 December 2024

12. GENDER PARITY

The Organization is committed to ensuring gender parity. As at 31 December 2024, **Tanzania Organization of Servicing Orphans and Vulnerable Children** had 3 employees and 2 volunteers as per the table below.

	2024	%	2023	%
Female	2	40	2	40
Male	3	60	3	60
Total	5	100	3	100

13. RELATED PARTY TRANSACTIONS

The details of related party transactions and balances are disclosed in Note 19 of the financial statement.

14. POLITICAL AND CHARITABLE DONATIONS

The Organization did not make any political donations during the year. Moreover, no donations were made to public institutions and charitable organizations during the year (2024: Nil).

15. AUDITORS

Universe Auditors were the auditors for the Organization for the year ended 31 December 2024.

Approved by the board of directors and signed by:

NIKODEMAS J. LUHEHE
EXECUTIVE DIRECTOR

29/09/2025

TANZANIA ORGANIZATION OF SERVICING ORPHANS AND VULNERABLE CHILDREN

P.O.BOX 216, MPANDA –KATAVI

Audited financial statements for the year ended 31 December 2024

DECLARATION OF THE HEAD OF FINANCE

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 by a declaration issued by the Head of Finance/Accounting 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 /Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors /Governing Body as under Directors Responsibility statement

I.....*S. Smith*..... am being the Head of Finance of TANZANIA ORGANIZATION OF SERVICING ORPHANS AND VULNERABLE CHILDREN [TOSOVC] Directors hereby

I acknowledge my responsibility to ensure that financial statements for the period ending 31 December 2024 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of TANZANIA ORGANIZATION OF SERVICING ORPHANS AND VULNERABLE CHILDREN [TOSOVC] as on that date and that they have been prepared based on properly maintained financial records.

Signed by:*S. Smith*.....
Accountant

Position:

NBAA Membership No:*CA 6018*.....

Date:*29/09/2025*.....



Universe Auditors and Tax Consultants

Certified Public Accountants

Independent auditor's report

Report to TANZANIA ORGANIZATION OF SERVICING ORPHANS AND VULNERABLE CHILDREN [TOSOVC] on the Audit of the Financial Statements for the year ended 31 December 2024

Opinion

We have audited the financial statements of the TANZANIA ORGANIZATION OF SERVICING ORPHANS AND VULNERABLE CHILDREN [TOSOVC] which comprises of: -

- ❖ the Statement of Financial Position as at 31 December 2024
- ❖ the statement of Financial Performance for the period ended 31 December 2024
- ❖ the statement of Changes in Equity as at 31 December 2024
- ❖ the statement of Cash Flows for the period ended 31 December 2024
- ❖ the notes to the financial statements, which include significant accounting policies and other explanatory information for the year ended 31 December 2024.

In our opinion, the financial statements give a true and fair view of the company financial position of TANZANIA ORGANIZATION OF SERVICING ORPHANS AND VULNERABLE CHILDREN [TOSOVC] as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) and the requirements of Tanzania Companies Act, No.12 of 2002.

Basis for opinion

We conducted our audit accordance with International Standard on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of Financial Statement* section of our report.

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

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standard Board for Accountants (IESBA code) and the ethical requirements of the National Board of Accountants and Auditors (NBAA) that are relevant to our audit of the financial statements in Tanzania. We have fulfilled our ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the NBAA.

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4th Floor, NHC Mavuno House
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hmriha@universeauditors.co.tz



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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 Company financial statements.

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

- ✦ Identify and assess the risks of material misstatement of the Company 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 Company's internal control.
- ✦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ✦ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the disclosures related in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company 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 true and fair view.

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

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Certified Public Accountants

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 Company financial statements.

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

- ✦ Identify and assess the risks of material misstatement of the Company 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 Company's internal control.
- ✦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ✦ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditors' report to the disclosures related in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
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We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Report on other legal and regulatory requirements

This report, including the opinion, has been prepared for, and only for, The Tanzania Organization of Servicing Orphans and Vulnerable Children [TOSOVC] members as a body in accordance with the Companies Act, No. 12 of 2002 and for no other purposes.

As required by Companies Act No. 12 of 2002, we are also required to report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not keeping proper accounting records, if the financial statements are not in agreement with the accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed. In respect of the foregoing requirements, we have no matter to report.

H. Frank Mrisha

Hamza Frank Mrisha (ACPA-PP 3779)

For and on behalf of Universe Auditors and Tax Consultants
Certified Public Accountants
Dar es Salaam

Date: 29th September, 2005.



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TANZANIA ORGANIZATION OF SERVICING ORPHANS AND VULNERABLE CHILDREN
P.O.BOX 216, MPANDA –KATAVI

Audited financial statements for the year ended 31 December 2024

STATEMENT OF INCOME AND EXPENDITURE FOR

THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 TZS	2023 TZS
INCOME	4	74,600,000	39,584,582
Less Expenditure			
Administrative Expenses	5	33,253,837	22,867,628
Strategic Program Expenses	6	36,408,000	15,134,341
Finance Cost	7	437,782	273,643
Total Expenditures for the year		70,099,619	38,275,612
(Deficit)/ surplus before income tax		4,500,381	1,308,970
Income tax expense		1,350,114	392,691
Total (deficit)/ surplus for the year		3,150,266	916,279

The financial statements on pages 7 to 20 were approved for issue by the Board of Directors on 29 September 2025 and signed on its behalf by:



NIKODEMAS J. LUHEHE
EXECUTIVE DIRECTOR

The significant accounting policies on pages 10 to 16 and the notes on pages 17 to 20 form an integral part of these financial statements.

Report on independent auditors - page 6.

Audited financial statements for the year ended 31 December 2024

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

ASSETS	Note	2024	2023
		TZS	TZS
Non-current assets			
Property and equipment	2	1,714,551	1,672,656
		1,551,988	1,551,988
Current assets			
Cash and bank balances	9	6,911,883	1,084,412
Prepaid Expenses		-	-
TOTAL CURRENTS ASSETS		6,911,883	1,084,412
TOTAL ASSETS		8,626,434	2,757,068
ACCUMULATED FUNDS AND LIABILITIES			
ACCUMULATED FUNDS			
Accumulated Funds		8,226,434	2,357,068
LIABILITIES			
Non-current liabilities			
Current liabilities			
Trade and other payables	3	400,000	400,000
Deferred income grants			
Lease liability			
TOTAL LIABILITIES		400,000	400,000
TOTAL ACCUMULATED FUNDS AND LIABILITIES		8,626,434	2,757,068

The financial statements on pages 7 to 20 were approved for issue by the Board of Directors on 29 September 2025 and signed on its behalf by

NIKODEMAS J. LUHEHE
EXECUTIVE DIRECTOR

The significant accounting policies on pages 10 to 16 and the notes on pages 17 to 20 form an integral part of these financial statements.

Report on independent auditors - page 6.

Audited financial statements for the year ended 31 December 2024

STATEMENT OF CHANGES IN ACCUMULATED FUND FOR THE
YEAR ENDED 31 DECEMBER 2024

	Accumulated Funds TZS
Year ended 31 December 2024	
At start of the year	2,357,068
Total comprehensive deficit for the year	5,869,366
At the end of year	8,226,434
Year ended 31 December 2023	
At start of the year	1,440,789
IFRS 16 adjustment during the year	-
Total comprehensive surplus for the year	916,279
At the end of year	2,357,068

The financial statements on pages 7 to 20 were approved for issue by the Board of directors on 29 September 2025 and were signed on its behalf by:



NIKODEMAS J. LUHEHE
EXECUTIVE DIRECTOR

The significant accounting policies on pages 10 to 16 and the notes on pages 17 to 20 form an integral part of these financial statements.

Report on independent auditors - page 6.

Audited financial statements for the year ended 31 December 2024

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER 2024

CASH FLOW FROM OPERATING ACTIVITIES:	NOTE	2024 TSHS	2023 TSHS
(Deficit)/surplus before income tax		4,500,381	1,308,970
Adjustment for			
Depreciation charge - property and equipment	2	508,105	408,594
Operating Profit/loss before Tax		5,008,486	1,717,564
Changing In Working Capital			
Decrease/(increase) in other receivables		-	-
Increase in trade and other payables		-	400,000
Cash Generated from/(Used in) Operations		5,008,486	2,117,564
Tax Paid		- 836,463	- 1,298,152
Net cash flow from operating activities		4,172,023	819,412
CASH FLOW FROM INVESTING ACTIVITIES			
Plant and equipment acquired	2	- 550,000	-
Net cash flow from Investing activities		- 550,000	-
Net (Increase)/decrease in cash and cash equivalents		3,622,023	819,412
Cash & Cash equivalent at beginning of year		1,084,412	265,000
Cash & Cash equivalent at end of the year	9	6,911,883	1,084,412

The significant accounting policies on pages 10 to 16 and the notes on pages 17 to 20 form an integral part of these financial statements.

Report of independent auditors - page 6.

1. ORGANIZATION INFORMATION

TANZANIA ORGANIZATION OF SERVICING ORPHANS AND VULNERABLE CHILDREN (TOSOVC) is a registered Non-Governmental Organization with registration number **00NGO/R/1318**.

The address of its registered office is described in page 1 of these financial statements.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB). The following section explains how newly issued and revised standards have been considered in the preparation of the Organizations' financial statements for the year ended 31 December 2024.

a) New standards and amendments to published standards effective for the year ended 31 December 2024

During the year, the Organization applied for the first time the following new standards and amendments to published standards, which became mandatorily effective for annual reporting periods beginning on or after 1 January 2023:

- IFRS 17 – Insurance Contracts
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies
- Amendments to IAS 8 – Definition of Accounting Estimates
- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Annual Improvements to IFRS Standards 2018–2024

The application of these standards and amendments did not result in significant changes to the Organizations reported financial position or performance. However, some disclosures have been enhanced, especially with respect to accounting policies.

b) New and amended standards and interpretations in issue but not yet effective for the year ended 31 December 2024 the following new standards and amendments have been issued by IASB but are not yet effective as at 31 December 2024. The Organization has not early adopted them:

- IFRS 18 – Presentation and Disclosure in Financial Statements (effective 1 January 2027)
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures (effective 1 January 2027)
- Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date deferred indefinitely)

c) Impact of new and amended standards and interpretations in issue but not yet effective for the year ended 31 December 2024

Management has considered the likely impact of the standards listed above:

- IFRS 18: This standard will primarily affect how the Organization presents income and expenses, requiring more detailed disaggregation in the statement of profit or loss. While this will increase transparency in financial reporting, it will not affect recognition or measurement of underlying transactions.
- IFRS 19: If applicable, this standard may reduce disclosure requirements for subsidiaries of the Organization without public accountability. Management will evaluate applicability once the standard becomes effective.
- Amendments to IFRS 10 and IAS 28: These amendments are not expected to have a material impact, as the Organization does not currently engage in significant transactions with associates or joint ventures involving the sale or contribution of assets.

Overall, management does not expect the adoption of these standards, once effective, to have a significant impact on the Organizations' financial position or performance

d) Early adoption of standards

The Organization has not adopted any new standards, amendments, or interpretations in preparing these financial statements for the year ended 31 December 2024.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRIC interpretations. The financial statements have been prepared under the historical cost convention.

Where a change in the presentation format between the prior year and current year financial statements have been made during the period, comparative figures have been restated accordingly.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise their 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 Note4.

b) General reserves

General reserves represent unrestricted funds arising from accumulated other income that are available for use at the discretion of the directors in furtherance of the objects of the Organization.

c) Foreign currency translation

(i) 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 entity operates ('the functional currency'). The financial statements are presented in Tanzania Shillings, which is the Organization's functional, and presentation currency.

(ii) Transactions and balances

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

d) Income recognition

Income comprises grants income from current grants, release of capital grants and other income from Tanzania Organization of Servicing Orphans and Vulnerable Children (TOSOVC) staff participating in various technical meetings and forums.

Funding arrangements

Tanzania Organization of Servicing Orphans and Vulnerable Children (TOSOVC) operates a funding arrangement where donor funds are directly received in Tanzania Organization of Servicing Orphans and Vulnerable Children (TOSOVC) bank accounts maintained in Tanzania. Grants' revenue is recognized only when conditions for spending have been fully met.

Audited financial for the year ended 31 December 2024

e) Property and equipment

Property and equipment are initially recognized at cost. Subsequently, property and equipment are stated at historical costless depreciation.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Organization and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Assets are depreciated starting in the month they are put into use. Depreciation on assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Asset class	Rate (%)
Motor vehicles	25.0%
Computers and accessories	37.5%
Furniture and fittings	12.5%
Equipment	25.0%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. The asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are included in the statement of comprehensive income within other income.

f) Financial assets

(i) Classification

All financial assets of the Organization are in the category of receivables.

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are classified as current assets except for maturities greater than 12 months; otherwise, they are classified as non-current. The Organization's receivables comprise staff debtors, cash, and cash equivalents in the statement of financial position.

(ii) Recognition and measurement

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

(iii) Offsetting financial instruments

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

(iv) Impairment

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

Audited financial for the year ended 31 December 2024

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Financial assets (continued)

(iv) Impairment (continued)

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

g) Financial assets

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

h) Other receivables

Other receivables consist of funds deposited to vendors and employees in the normal course of the business. Advances and prepaid expenses are recognized upon payment and recognized when service has been rendered.

i) Cash and cash equivalents

For presentation in the statement of cashflows, cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, that are readily convertible into known amounts of cash, and which are subject to an insignificant risk of changes in value.

j) Income tax

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

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

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Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, if the deferred income tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss, it is not accounted for.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

k) Grants' receivable

Grants' receivables comprise contractual commitments from donors/development partners where the Organization has incurred expenditure as per grant agreement and is yet to be reimbursed by the donor/development partner. This is a change in accounting for grants receivable, which were previously accounted for upon signing of the agreement with donor/development partner. Details of the restatement as a result of this change, which also affected deferred revenue grant is set out in note 20.

f) Deferred capital grants

Donations received to acquire property and equipment are capitalized and credited to deferred capital grant account. Deferred capital grant accounts are amortized in the statement of comprehensive income over the estimated useful lives of the assets concerned.

g) Deferred income grants

Deferred income grant represents an obligation to conduct donor-funded activities per contractual commitments made between donors/development partners and the Organization.

The deferred income from the grants amount recorded on the recipient's statement of financial position generally represents the total amount of grants per funding agreements to match with the grant funds receivable, less than the amount amortized for services performed to date.

h) Employee benefits - Retirement benefit obligation

The Organization has a defined contribution pension plan for its employees. A defined contribution plan is a pension plan under which the Organization pays fixed contributions into a separate entity. The Organization's contributions to the defined contribution schemes are charged in statement of comprehensive income in the year in which they relate. 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 has no further payment obligations once the contributions have been made. The Organization and all its employees contribute to the NSSF, PSSF and Jubilee Insurance which are defined contribution scheme.

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i) Accounts payable

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are presented as current liabilities unless payment is not due within twelve months after year end. If not, they are presented as non-current liabilities. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

j) Impairment of non-financial assets

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. For purposes of assessing impairment, assets are grouped at the lowest levels for which these are separately identifiable cash flows (cash-generating units).

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NOTES TO THE FINANCIAL STATEMENTS

	Note	31.12.2024	31.12.2023
INCOME	4	TSHS	TSHS
Donor Grants		64,500,000	33,380,850
Members Fee		1,200,000	600,000
Donation from Volunteers & Benefactors		2,500,000	603,732
Other Income		6,400,000	5,000,000
Total income		74,600,000	9,584,582
EXPENDITURE			
ADMINISTRATION EXPENSES	5		
Staff Salaries & Benefits Allowances		25,400,000	16,200,000
Internet & communication		620,000	420,000
Audit & Professional Fees		400,000	400,000
NSSF		3,162,666	2,899,968
Workers Compensation Fund		129,066	129,066
Depreciation of property and equipment		508,105	408,594
Office Rent		2,100,000	2,100,000
Equipment's Maintenance		400,000	100,000
Office Supplies		534,000	210,000
Total		33,253,837	2,867,628
STRATEGIC PROGRAM EXPENSES	6		
Media Campaigns		1,200,000	600,000
Community Engagement forums		2,568,000	1,690,000
Conduct Orientation to Community Theater Group		15,400,000	4,630,000
Training Activity to Community Health Workers		12,500,000	4,484,341
Hire Care		1,400,000	1,500,000
Supportive Supervision Visits		800,000	500,000
Travelling within the Region		900,000	700,000
Capacity Building Trainings & Transport for Staff Members		1,640,000	1,030,000
Total		36,408,000	5,134,341
Total			
Finance Cost	7		
Bank charge		437,782	273,643
Total		437,782	73,643

NOTES TO THE FINANCIAL STATEMENTS

	Note	31.12.2024	31.12.2023
CASH AND BANK BALANCES	9	TSHS	TSHS
Bank balances		6,375,883	627,412
Petty cash balances		536,000	457,000
Total		6,911,883	1,084,412
OTHER PAYABLES	3		
Tax payables		-	-
Differed Tax Liability		-	-
Audit fee		400,000	400,000
TOTAL		400,000	400,000

TANZANIA ORGANIZATION OF SERVICING ORPHANS AND VULNERABLE CHILDREN

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NOTES TO THE FINANCIAL STATEMENTS

2.0 PROPERTY, PLANT & EQUIPMENT 2024:

ASSETS DESCRIPTION	RATE S	COST AS AT	ADDITIONAL/DISPOSAL	COST AS AT	ACCUMULATE D DEPRETION	DEPRECITIOAN	ACCUMULATED DEPRICIATION	NET BOOK AS AT	NET BOOK AS AT
		1.1.2024		31.12.2024	1.1.2024		31.12.2024	31.12.2024	31.12.2023
Furniture and fittings	12.50%	1,301,563	-	1,301,563	398,438	162,695	561,133	1,138,867	1,301,563
Computers & printing Machines	37.50%	371,094	550,000	921,094	578,906	345,410	924,316	575,684	371,094
Total		1,672,656	550,000	2,222,656	977,344	508,105	1,485,449	1,714,551	1,672,656

2.0 PROPERTY, PLANT & EQUIPMENT 2023:

ASSETS DESCRIPTION	RATES	COST AS AT	ADDITIONAL/DISPOSAL	COST AS AT	ACCUMULATE D DEPRETION	DEPRECITIOAN	ACCUMULATED DEPRICIATION	NET BOOK AS AT	NET BOOK AS AT
		1.1.2023		31.12.2023	1.1.2023		31.12.2023	31.12.2023	31.12.2022
Furniture and fittings	12.50%	1,487,500	-	1,487,500	212,500	185,938	398,438	1,301,563	1,487,500
Computers & printing Machines	37.50%	593,750	-	593,750	356,250	222,656	578,906	371,094	593,750
Total		2,081,250	-	2,081,250	568,750	408,594	977,344	1,672,656	2,081,250

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NOTES TO THE FINANCIAL STATEMENTS

10 RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk management

The Organization activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Organization overall risk management programmer focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Business financial performance.

The board of Directors carries out risk management. The board identifies, evaluates and hedges financial risks in close co-operation with various departmental heads.

(a) Market Risk

- Foreign exchange risk

The Organization is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar, UK Pounds and Euros. The risk arises from future transactions, assets and liabilities in the statement of financial position.

- Interest rate risk

The Organization exposure to interest rate risk arises from borrowings. Financial assets and liabilities obtained at different rates expose the Organization to interest rate risk. Financial assets and liabilities obtained at fixed rates expose the Organization hip to fair value interest rate risk, except where the instruments are carried at amortized costs. The Organization hip maintains adequate ratios of borrowings when compared to total borrowings in fixed interest rates.

(b) Credit Risk

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

Management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.

(d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Business Management maintains flexibility in funding by maintaining availability under committed credit lines.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Organization makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Taxation

The Organization is subjected to numerous taxes and levies by various government and quasi-government regulatory bodies. Generally, the Organization recognizes liabilities with regard to anticipated taxes and levies payable with utmost care and diligence. However, significant judgement is required in the interpretation and application of those taxes and levies. In the event that management assesses that the initially recorded liability was erroneous, the differences are charged to the profit and loss account in the period in which the differences are determined.

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