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INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF TOUCH FOUNDATION TANZANIA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Touch Foundation Tanzania ("Touch TZ" or "the Organization") set out on pages 12 to 32, which comprise the statement of financial position as at 30 September 2023, the statement of financial performance and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Touch Foundation Tanzania as at 30 September 2023, and of its financial performance and its cash flows for the year then ended in accordance with Accrual Basis International Public Sector Accounting Standards (IPSASs) as issued by the International Public Sector Accounting Standards Board

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Organization in accordance with International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our 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 Matter

We draw attention to the fact that the supplementary information (memorandum figures) presented in Tanzanian Shillings (TZS) does not form part of the audited financial statements. We have not audited this supplementary information and, accordingly, we do not express an opinion on this supplementary information.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the *Touch Foundation Tanzania Report and Financial Statements for the year ended 30 September 2023*, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IPSASs, 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
TO THE BOARD OF DIRECTORS OF TOUCH FOUNDATION TANZANIA (CONTINUED)**

Report on the Audit of the Financial Statements (Continued)

Responsibilities of 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 Directors 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 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.

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.

KPMG

Certified Public Accountants (T)

Signed by: CPA Vincent Onjala (TACPA 2722)

Dar es Salaam

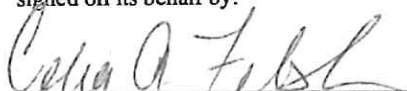
Date: 27/03/2024

TOUCH FOUNDATION TANZANIA

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023

	Notes	2023 USD	2022 USD	Memorandum 2023 TZS '000	2022 TZS '000
Assets					
Current assets					
Cash and cash equivalents	6	58,947	23,796	147,368	55,156
Receivable Grand Challenges Canada	8 (b)	43,384	420,747	108,460	975,233
Prepayments	5 (a)	20,337	17,451	50,844	40,449
Other current assets	5 (b)	<u>50,779</u>	<u>220,700</u>	<u>126,945</u>	<u>511,552</u>
Total Current assets		<u>173,447</u>	<u>682,694</u>	<u>433,617</u>	<u>1,582,390</u>
Non-Current assets					
Property and equipment	7	<u>5,293</u>	<u>7,304</u>	<u>13,232</u>	<u>16,930</u>
Total Non-current assets		<u>5,293</u>	<u>7,304</u>	<u>13,232</u>	<u>16,930</u>
Total assets		<u>178,740</u>	<u>689,998</u>	<u>446,849</u>	<u>1,599,320</u>
Liabilities					
Current Liabilities					
Payables	9	41,496	510,410	103,739	1,183,061
Refundable Advances	8 (a)	<u>137,244</u>	<u>179,588</u>	<u>343,110</u>	<u>416,259</u>
Total Current Liabilities		<u>178,740</u>	<u>689,998</u>	<u>446,849</u>	<u>1,599,320</u>
Total Liabilities		<u>178,740</u>	<u>689,998</u>	<u>446,849</u>	<u>1,599,320</u>
Net Assets		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS/EQUITY					
Accumulated surpluses /(deficit)		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net assets / equity		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The financial statements set out on pages 12 to 32 were approved by the Board of Directors on March 25, 2024 and signed on its behalf by:


Celia Felsher
Chair

Notes and related statements forming part of these financial statements appear on pages 16 to 32. Report of the Auditor – Pages 10 to 11.

TOUCH FOUNDATION TANZANIA

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Notes	2023	2022	Memorandum	
		USD	USD	2023 TZS '000	2022 TZS '000
Revenue					
Revenue from Non-Govt Grants	10(a)	1,915,187	1,599,148	4,515,916	3,634,527
Other revenues	10(b)	4,450	151	10,492	343
Total Revenue		<u>1,919,637</u>	<u>1,599,299</u>	<u>4,526,408</u>	<u>3,634,870</u>
Expenses					
Heath – Program Expenses	11	(1,910,087)	(1,591,048)	(4,503,890)	(3,616,117)
Total Expenses		<u>(1,910,087)</u>	<u>(1,591,048)</u>	<u>(4,503,890)</u>	<u>(3,616,117)</u>
Surplus before alternative minimum tax		9,550	8,251	22,518	18,754
Alternative minimum tax / Penalties	2 (h)	(9,550)	(8,251)	(22,518)	(18,754)
Surplus/(deficit) for the period		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes and related statements forming part of these financial statements appear on pages 16 to 32. Report of the Auditor – pages 10 to 11.

TOUCH FOUNDATION TANZANIA

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Note			Memorandum	
		2023	2022	2023	2022
		USD	USD	TZS '000	TZS '000
Cash flows from operating activities					
Surplus for the year		-	-	-	-
Depreciation	7	2,011	587	4,742	1,333
Changes in:					
- Other current assets	5(b)	169,921	(25,294)	400,665	(57,488)
- Grant receivable	8(b)	377,363	(399,111)	889,803	(907,095)
- Prepaid expenses	5(a)	(2,886)	430	(6,806)	977
- Refundable advance	8(a)	(42,344)	(80,477)	(99,845)	(182,907)
- Payables	9	(468,914)	494,200	(1,105,675)	1,123,213
Cash (used in)/generated from operating activities		35,151	(9,665)	82,884	(21,967)
Purchase of equipment	7	-	(5,926)	-	(13,468)
Cash used in investing activities		-	(5,926)	-	(13,468)
Net (decrease)/increase in cash and cash equivalents		35,151	(15,591)	82,884	(35,435)
Cash and cash equivalents at 1 October		23,796	39,387	59,490	90,984
Translation difference		-	-	4,994	(393)
Cash and cash equivalents at 30 September		58,947	23,796	147,368	55,156

Notes and related statements forming part of these financial statements appear on pages 16 to 32. Report of the Auditor – pages 10 to 11.

TOUCH FOUNDATION TANZANIA

STATEMENT OF CHANGES IN NET ASSETS/EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Contributed Capital	Revaluation Reserve	Translation Reserve	Accumulated Surpluses / (Deficits)	Total
	USD	USD	USD	USD	USD
Balance at 1 October 2021	-	-	-	-	-
Net surplus/deficit for the period					
Balance at 30 September 2022	-	-	-	-	-
Net deficit for the period					
Balance at 30 September 2023	-	-	-	-	-

Memorandum

	Contributed Capital	Revaluation Reserve	Translation Reserve	Accumulated Surpluses / (Deficits)	Total
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
Balance at 1 October 2021	-	-	-	-	-
Net surplus for the period					-
Balance at 30 September 2022	-	-	-	-	-
Net deficit/surplus for the period					
Balance at 30 September 2023	-	-	-	-	-

Notes and related statements forming part of these financial statements appear on pages 16 to 32.
Report of the Auditor – pages 10 to 11.

TOUCH FOUNDATION TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

1. BASIS OF PREPARATION

(a) Reporting entity

Touch Foundation Tanzania was registered on 25 May 2012 as a Non-Governmental Organization (“NGO”) under the Non-Governmental Organizations Act of 2002, as amended from time to time, under the name Touch Foundation Tanzania (“Touch TZ” or “the Organization”) with Certificate of Compliance number 00001468. On 10 January 2023, it was issued a new certificate under the Non-Governmental Organizations Act of 2002 with registration number 00910. The financial statements of the Organization are for the year ended 30 September 2023.

(b) Statement of compliance

The Organization’s financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSASs).

(c) Basis of accounting and preparation

The financial statements are prepared on the historical cost basis, except where fair value measurements have been applied and specified as such in the accounting policies. The financial statements are presented in US Dollars (“USD”).

(d) Going concern

The Organization has net current liability of USD 5,293 as at 30 September 2023 (2022: net current liability of USD 7,304). As of that date, the Organization had a net surplus of USD nil (2022: Nil).

Management’s plan to mitigate the identified event is to rely on the support from Touch US whenever the entity faces cashflow problems since Touch TZ operates as a tool for Touch US to implement programs in Tanzania.

Management has made an assessment of the ability of the Organization to continue as going concern and have no reason to believe that the Organization will not be a going concern at least for the next twelve months from the date of approval of these financial statements. Management’s assessment revealed that material uncertainty does not exist as such, and the financial statements have been prepared on a going concern basis.

(e) Functional and presentation currency and memorandum figures

These financial statements are presented in USD, which is Touch TZ’s functional currency.

Memorandum financial information is presented in thousands of Tanzanian Shillings (TZS ‘000). The exchange rates used to translate USD figures into TZS memorandum were as follows:

- Income and expenses were translated at the year-end date using a closing reporting date of TZS 2,357.95 to USD 1 (obtained from the investing.com website) and the Assets and liabilities have been translated by the closing exchange rate of TZS 2,500 to USD1; and
- All resulting exchange differences are recognized in the statement of profit or loss and other comprehensive income.

(f) Use of estimates and judgements

The preparation of the financial statements in conformity with IPSAS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

TOUCH FOUNDATION TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023 (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to Touch TZ and the income can be reliably measured.

Revenue from exchange transaction are Grants that impose specific future performance or time conditions that are recognized as revenue only when the performance conditions are met, or such time has elapsed.

Revenue from non-exchange transaction are unconditional grants that are recognized as revenue when they are awarded.

Capital grants relating to property, plant and equipment are included in non-current liabilities and are credited to the statement of the financial performance on a straight-line basis over the expected lives of the related assets. Unspent funds are included in the current liabilities as deferred revenue until when utilized.

In 2023, revenue recorded by Touch TZ came in the form of grants from its affiliate, Touch US, and Grand Challenges Canada, a Canadian non-governmental organization ("NGO").

(b) Foreign currencies

Transactions in foreign currencies are translated to the functional currency (USD) using average monthly exchange rates. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss and other comprehensive income.

(c) Financial instruments

i) Recognition and initial measurement

Receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Organization becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A receivable without a significant financing component is initially measured at the transaction price.

On initial recognition, a financial asset is classified as measured at: either amortised cost, fair value through other comprehensive income ("FVOCI") – debt investment; FVOCI – equity investment, or FVTPL.

TOUCH FOUNDATION TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (Continued)

ii) Classification and subsequent measurement

Financial assets are not reclassified subsequent to their initial recognition unless Touch TZ changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting year following the change in the business model.

A financial asset is measured at amortized costs if it meets both of the following conditions and is not designated as at FVTPL;

- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- All financial assets not classified as measured at amortized costs or FVOCI as described above are measured at FVTPL. On initial recognition, Touch TZ may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized costs or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

iii) Financial assets – business model assessment

Touch TZ makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of these policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to Touch TZ's management;
- The risks that affect the performance of the business model (and the financial assets held within the business model) and how those risks are managed;
- How managers of the business are compensated, e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior years, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on fair basis value are measured at FVTPL.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular year of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, Touch TZ considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows that it would not meet this condition. In making this assessment, Touch TZ considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable rate features;
- Prepayment and extension features; and
- Terms that may limit Touch TZ's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits required prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

TOUCH FOUNDATION TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (Continued)

iii) Financial assets – business model assessment (Continued)

Touch TZ classifies its financial assets into receivables and cash and cash equivalents. These are measured at amortised costs using the effective interest method.

iv) Financial liabilities – classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

v) De-recognition

Financial assets

Touch TZ de-recognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which Touch TZ neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Touch TZ enters into transactions whereby it transfers assets recognized in its statement of financial position, but it retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not de-recognized.

Financial liabilities

Touch TZ de-recognizes a financial liability when its contractual obligations are discharged, are cancelled or expire. Touch TZ also de-recognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On de-recognition of a liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

vi) Offsetting

Financial assets and liabilities are offset, and the net amount is presented in the statement of financial position when, and only when, Touch TZ currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(d) Property and equipment

Property and equipment purchased by Touch TZ are stated at historical cost less depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items. Where an asset is acquired for nil or nominal consideration, the asset is initially recognized at fair value, where fair value can be reliably determined, and a credit is recognized as income in the statement of financial performance.

i. Recognition and measurement

Items of property and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses. Any gain or loss on disposal of an item of property and equipment is recognized in profit or loss.

TOUCH FOUNDATION TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Property and equipment (continued)

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to Touch TZ.

iii. Depreciation

Depreciation on assets is charged on a straight-line basis at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life.

The estimated useful lives of equipment for current and comparative periods is 4 years (25%) for equipment.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

iv. Impairment and de-recognition

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

An item of property and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of financial position in the year the asset is de-recognized.

(e) Employee benefits

Touch TZ ensures that statutory contributions to the National Social Security Fund (NSSF), Parastatal Pension Fund (PPF), Local Authority Pensions Fund (LAPF) and Government Employees Provident Fund (GEPF) are made for all relevant workers. The obligations in respect of contributions to such funds are approximately 10% of the employees' gross emoluments. Contributions to these pension funds are recognized as an expense in the period the workers render the related services. Employees additionally are provided with subsidized health insurance by Touch TZ.

(f) Provisions

A provision is recognized if, as a result of a past event, Touch TZ has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(g) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of financial performance on a straight-line basis over the period of the lease.

Organization acting as a lessee

At commencement or on modification of a contract that contains a lease component, Touch TZ allocates consideration in the contract to each lease component on the basis of its relative stand-alone price.

TOUCH FOUNDATION TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Leases (Continued)

Organization acting as a lessee (Continued)

Touch TZ recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to office premises.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Touch TZ's incremental borrowing rate. Touch TZ uses its incremental borrowing rate as the discount rate.

Touch TZ determines its incremental borrowing rate by analysing its borrowings from various external sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that Touch TZ is reasonably certain to exercise, lease payments in an optional renewal period if Touch TZ is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Touch TZ is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Touch TZ's estimate of the amount expected to be payable under a residual value guarantee, if Touch TZ changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Organization applies judgment to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Organization is reasonably certain to exercise such options impacts the lease term, which may significantly affect the amount of lease liabilities and right-of-use assets recognized.

Touch TZ presents right-of-use assets in property and equipment and lease liabilities in other liabilities in the statement of financial position.

Short-term leases and leases of low-value assets

Touch TZ has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. Touch TZ recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

TOUCH FOUNDATION TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Leases (Continued)

As a lessee

Touch TZ did not have any lease arrangements as a lessee.

Assets held under other leases were classified as operating leases and were not recognized in Touch TZ's statement of financial position. Payments made under operating leases were recognized in profit or loss on a straight-line basis over the term of the lease.

(h) Taxation

Touch TZ was subject to Tanzania's Alternative Minimum Tax ("AMT"). Accordingly, Touch TZ's AMT obligation was calculated and accrued at 30 September as follows:

	Memorandum			
	2023	2022	2023	2022
	USD	USD	TZS'000	TZS'000
Annual Turnover	1,915,187	1,599,148	4,515,916	3,634,527
AMT (0.5% of annual income) and Penalties	9,550	8,251	22,518	18,754

Tax expense comprises current tax and deferred tax. Current tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Income Tax Act, 2004.

Deferred tax is provided using the liability method on all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax is calculated on the basis of the tax currently enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

(i) Relevant standards, amendments and interpretations issued but not yet effective and not early adopted.

The new and amended standards issued but not effective to the date of issuance of the Touch TZ financial statements that are not expected to have an impact on the financial statements of Touch TZ and have not been applied in preparing these financial statements.

Those which may be relevant to Touch TZ are set out below. The organization does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated.

TOUCH FOUNDATION TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- (i) Relevant standards, amendments and interpretations issued but not yet effective and not early adopted. (Continued)

S/No.	Approved Standard	Changes	Effective Date
i.	IPSAS 41 – Financial instruments	The new standard improves financial reporting for financial instruments by: a) Applying a single classification and measurement model for financial assets that consider the characteristics of the asset's cash flows and the objective for which the asset is held; b) Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and c) Applying an improved hedge accounting model that broadens the hedging arrangements in the scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.	Effective for annual periods beginning on or after 1st January 2022. Earlier application is permitted
ii.	IPSAS 42: Social Benefits	The objective of the standard is to improve the relevance, faithful representativeness, and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess: d) The nature of such social benefits provided by the entity. e) The key features of the operation of those social benefit schemes, and f) The impact of such social benefits provided on the entity's financial performance, financial position, and cash flows. To accomplish that, this IPSAS establishes principles and requirements for: a) Recognizing expenses and liabilities for social benefits b) Measuring expenses and liabilities for social benefits c) Presenting information about social benefits in financial statements and d) Determining what information to disclose to enable users of financial statements to evaluate the nature and financial effects of the social benefits provided by reporting entity.	Effective for annual periods beginning on or after 1st January 2023. Earlier application is permitted
iii.	IPSAS 43 — Leases	This standard specifies the accounting for leases by an entity as a lessee and as a lessor. The standard requires the Organization to recognize a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. Management is yet to establish the impact of the standard on its financial statements.	The IPSASB approved IPSAS 43, Leases with an effective date of January 1, 2025. Earlier application is permitted

TOUCH FOUNDATION TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- (i) **Relevant standards, amendments and interpretations issued but not yet effective and not early adopted.**
(Continued)

iv.	IPSAS 44: Non-current Assets Held for Sale and Discontinued Operations.	This standard specifies the accounting for assets held for sale and the presentation and disclosure of discontinued operations. IPSAS 44 includes additional public sector requirements, in particular, the disclosure of the fair value of assets held for sale that are measured at their carrying amounts, when the carrying amount is materially lower than their fair value.	Effective for annual periods beginning on or after 1st January 2025. Earlier application is permitted
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3. FINANCIAL RISK MANAGEMENT

Touch TZ has exposure to the following risks from its use of financial instruments:

- Liquidity risk
- Market risk
- Credit risk

This note presents information about Touch TZ's exposure to each of the above risks, Touch TZ's objectives, policies and processes for measuring and managing risk and Touch TZ's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Organization's directors have overall responsibility of the establishment and oversight of Touch TZ's risk management framework.

Touch TZ's risk management policies are established to identify and analyse the risks faced by Touch TZ, 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. Touch TZ, 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 the Organization will not be able to meet its financial obligations as they fall due. Touch TZ's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk damaging Touch TZ's reputation.

Touch TZ monitors its exposure to liquidity risk using projected cash flows from operations. Touch TZ'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 the majority of funding is provided by its affiliate, Touch US, which ensures that it has ample liquidity for operations.

Touch TZ has a policy not to utilise debt or overdraft facilities.

TOUCH FOUNDATION TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

3. FINANCIAL RISK MANAGEMENT

Liquidity risk (Continued)

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

	Less than 1 year 2023 USD	Less than 1 year 2022 USD	Memorandum	
			Less than 1 year 2023 TZS '000	Less than 1 year 2022 TZS '000
Financial Assets				
Receivables (Note 8 (b))	43,384	420,747	108,460	975,233
Cash and cash equivalents (Note 6)	58,947	23,796	147,368	55,156
	<u>102,331</u>	<u>444,543</u>	<u>255,828</u>	<u>1,030,389</u>
Financial Liabilities				
Accounts Payables and Accrued Expenses (Note 9)	(9,885)	(497,818)	(24,712)	(1,153,874)
Net liquidity	<u>92,446</u>	<u>(53,275)</u>	<u>231,116</u>	<u>(123,485)</u>

As at 30 September 2023, all financial assets and liabilities were contractually due within one year.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect Touch TZ'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.

(i) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in the foreign exchange rates. Touch TZ's main foreign exchange exposure is Tanzania shillings (TZS) and Canadian dollars (CAD). The table below indicates the summary quantitative data (notional amounts) about Touch TZ's exposure to currency risk as at 30 September:

	2023 USD	2022 USD	Memorandum	
			2023 TZS '000	2022 TZS '000
Canadian Dollars				
Receivables	43,384	420,747	108,460	975,233
Tanzanian shillings				
Cash and cash equivalents	34,418	7,742	86,045	17,945
Payables	<u>(9,885)</u>	<u>(4,324)</u>	<u>(24,712)</u>	<u>(10,023)</u>
	<u>67,917</u>	<u>424,165</u>	<u>169,793</u>	<u>983,155</u>
	Year end	Average rate	Year end	Average rate
Tanzanian shillings to 1 USD	2,500	2,357.95	2,317.86	2,272.79
Canadian dollars to 1 USD	1.30	1.29	1.38	1.28

TOUCH FOUNDATION TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risks (continued)

(i) Foreign exchange risk (Continued)

A sensitivity analysis in relation to net exposure for a 10% strengthening or weakening of the USD against TZS and CAD is as follows:

	2023 USD	2022 USD	Memorandum	
			2023 TZS '000	2022 TZS '000
Strengthening				
Increase in surplus	6,792	42,416	16,979	98,315
Weakening				
Decrease in surplus	(6,792)	(42,416)	(16,979)	(98,315)

Credit risk

Credit risk is the risk of financial loss to the Organization if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from Touch TZ's receivables and money maintained in bank accounts.

Touch TZ has the following categories of receivables, as defined by IPSAS 41, and has analysed the carrying amounts – similar to their fair values at the reporting date – and maximum exposure to credit risk, if different from the carrying amount.

	2023		2022	
	USD Amortised cost	USD Exposure to credit risk	USD Amortised cost	USD Exposure to credit risk
Grant Receivables	43,384	43,384	420,747	420,747
Cash and cash equivalents*	58,858	58,858	23,734	23,734
	102,242	102,242	444,481	444,481
Impairment		-		-
Net of impairment		102,242		444,481

*Excludes petty cash

Below is the aging profile of Touch TZ's debtors:

	Memorandum			
	2023 USD	2022 USD	2023 TZS '000	2022 TZS '000
- by up to 30 days	43,384	420,747	108,460	975,233
	43,384	420,747	108,460	975,233

None of the receivables was past due.

TOUCH FOUNDATION TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

4. FAIR VALUE MEASUREMENT

Touch TZ measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

(i) Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments. Touch TZ does not have financial instruments under Level 1.

(ii) Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly or indirectly or other valuation techniques in which all significant inputs are directly or indirectly observable from market data. This category includes cash and cash equivalents, due from related parties, trade and other receivables, trade and other payables and due to related parties, whose carrying values approximate their fair values due to their short-term nature.

(iii) Level 3: Inputs that are unobservable. This category includes instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on their valuation. Touch TZ does not have financial instruments under this level.

The following table shows the carrying amounts of financial assets and financial liabilities which approximate their fair values at 30 September:

	2023	2022	Memorandum	
	USD	USD	2023 TZS '000	2022 TZS '000
Grant Receivables (Note 8 (b))	43,384	420,747	108,460	975,233
Cash and cash equivalents (Note 6)	58,947	23,796	147,368	55,156
	<u>102,331</u>	<u>444,543</u>	<u>255,828</u>	<u>1,030,389</u>
Accounts Payables and Accrued Expenses (Note 9)	9,885	497,818	24,712	1,153,874
	<u>9,885</u>	<u>497,818</u>	<u>24,712</u>	<u>1,153,874</u>

The balances are an approximate of their fair values due to their short-term nature. The Account Receivables correspond to payments to be made by GCC.

RECEIVABLES AND PREPAID EXPENSES

5.

(a) Prepayments

	2023	2022	Memorandum	
			2023	2022
Prepaid Expenses	5,116	6,909	12,792	16,014
Prepaid Insurance	15,221	10,542	38,052	24,435
	<u>20,337</u>	<u>17,451</u>	<u>50,844</u>	<u>40,449</u>

(b) Other current assets

	2023	2022	Memorandum	
			2023	2022
Exchange Account	3,670	4,409	9,176	10,219
Receivable from Tanzania Revenue Authority	47,109	216,166	117,769	501,043
Withholding Tax Receivable	-	125	-	290
	<u>50,779</u>	<u>220,700</u>	<u>126,945</u>	<u>511,552</u>

TOUCH FOUNDATION TANZANIA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

6. CASH AND CASH EQUIVALENTS

			Memorandum	
	2023	2022	2023	2022
	USD	USD	TZS '000	TZS '000
Petty cash	90	61	224	141
M-Pesa balance	19,853	4,072	49,633	9,438
USD bank account	24,529	16,054	61,324	37,212
TZS bank account	<u>14,475</u>	<u>3,609</u>	<u>36,187</u>	<u>8,365</u>
	<u>58,947</u>	<u>23,796</u>	<u>147,368</u>	<u>55,156</u>

7. PROPERTY AND EQUIPMENT

	USD
Cost	
Balance as at 1 October 2022	7,304
Additions	-
Depreciation charge	<u>(2,011)</u>
Balance as at 30 September 2023	<u>5,293</u>
Accumulated depreciation	
Cost	8,046
Accumulated depreciation	<u>(2,753)</u>
Net book amount	<u>5,293</u>
Cost	
Balance as at 1 October 2021	1,965
Additions	5,926
Depreciation charge	<u>(587)</u>
Balance as at 30 September 2022	<u>7,304</u>
Accumulated depreciation	
Cost	8,046
Accumulated depreciation	<u>(742)</u>
Net book amount	<u>7,304</u>

The Organization's fixed assets relate to Equipment.

TOUCH FOUNDATION TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

7. PROPERTY AND EQUIPMENT (CONTINUED)

	2023
Memorandum	Total
	TZS'000
Cost	
As at 1 October 2022	
Opening net book value	16,930
Additions	-
Depreciation charge	(4,742)
Translation differences	1,044
As at 30 September 2023	13,232
Accumulated depreciation	
Cost	18,363
Accumulated depreciation	(6,490)
Translation differences	1,359
Net book amount	13,232
	2022
Memorandum	Total
	TZS'000
Cost	
As at 1 October 2021	
Opening net book value	4,539
Additions	13,468
Depreciation charge	(1,333)
Translation differences	256
As at 30 September 2022	16,930
Accumulated depreciation	
Cost	18,363
Accumulated depreciation	(1,689)
Translation differences	256
Net book amount	16,930

8. REFUNDABLE ADVANCE AND GRANT RECEIVABLE

Touch TZ was formed to help Touch US meet its mission of improving healthcare in Africa, starting in Tanzania, by increasing and improving the quality and effectiveness of human resources for health and by improving healthcare facilities and healthcare delivery systems. To enhance efficiency of Touch US's programme operations, Touch TZ conducts certain activities previously conducted by Touch US in Tanzania, including making and administering grants to grantees, overseeing the performance by grantees, and providing technical assistance to grantees and others in Tanzania. Touch US has been providing bookkeeping and other services to Touch TZ. Touch US is the main source of funding to Touch TZ, and because its policy is to provide to Touch TZ only such grant funds as required to cover actual expenses, grant income has been recognized based on actual expenses for the period and unutilised funds have been reported as a refundable advance. Touch TZ is registered in the United Republic of Tanzania.

In October 2021, Touch TZ received a two-year grant of up to Canadian dollars (CAD) 1,199,449 from Grand Challenges Canada ("GCC"), a Canadian nonprofit organization, for the m-mama Programme. During FY23 a total of USD 656,464 had been received from GCC. From the amount received, \$420,748 was used to cancel the Payable for income recognized in the period 2022. Grant income has been recognized based on actual expenses for the period amounting to USD 279,101; and the remaining funds due from GCC amounting to USD 43,384 have been reported as receivable.

8. REFUNDABLE ADVANCE AND GRANT RECEIVABLE (CONTINUED)

(a) From Touch US

	2023	2022	Memorandum	
	USD	USD	2023	2022
			TZS '000	TZS '000
Refundable advance as at 1 October	179,588	260,065	416,259	600,748
Grants received	1,593,742	895,900	3,757,964	2,036,193
Net programming expenses	(1,640,536)	(976,377)	(3,868,302)	(2,219,100)
Other revenues	4,450	-	10,492	-
Translation differences	-	-	26,697	(1,582)
Refundable advance as at 30 September	137,244	179,588	343,110	416,259

(b) From Grand Challenges Canada

	2023	2022	2023	2022
	USD	USD	TZS '000	TZS '000
Refundable advance as at 1 October	(420,747)	(21,637)	(975,233)	(49,981)
Fund received applied to pay Receivables from previous years	420,747	21,637	992,100	49,176
Actual grants received	235,717	202,022	555,808	459,154
Net programming expenses	(279,101)	(622,769)	(658,106)	(1,415,423)
Translation differences	-	-	(23,029)	(18,159)
(Grant receivable)/refundable advance as at 30 September	(43,384)	(420,747)	(108,460)	(975,233)
Net receivable from donors	93,860	(241,159)	234,650	(558,794)

9. PAYABLES

	2023	2022	2023	2022
	USD	USD	TZS '000	TZS '000
Accounts Payable	9,885	485,381	24,712	1,125,045
AMT Taxes	9,550	8,251	23,875	19,124
Accrued Expenses	-	12,437	-	28,829
Accrued Payroll Taxes	7,566	1,854	18,915	4,298
Employee Withholdings Payable	10,163	2,487	25,407	5,765
Withholding Tax Payable	4,332	-	10,830	-
	41,496	510,410	103,739	1,183,061

TOUCH FOUNDATION TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

10. REVENUE (CONTINUED)

(a) Revenue from Non-Govt Grants	2023	2022	Memorandum	
	USD	USD	2023 TZS '000	2022 TZS '000
Grant from Touch US	1,636,086	976,379	3,857,810	2,219,061
Grant from GCC	<u>279,101</u>	<u>622,769</u>	<u>658,106</u>	<u>1,415,466</u>
	<u>1,915,187</u>	<u>1,599,148</u>	<u>4,515,916</u>	<u>3,634,527</u>
(b) Other revenues				
Foreign Currency Gain / Loss	3,894	151	9,181	343
Other Revenues	<u>556</u>	<u>-</u>	<u>1,311</u>	<u>-</u>
	<u>4,450</u>	<u>151</u>	<u>10,492</u>	<u>343</u>

11. HEALTH PROGRAM EXPENSES

- M-Mama Programme	1,394,892	1,023,760	3,289,087	2,326,794
- watotoCare Programme	7,174	-	16,917	-
- Health Technology Management Programme	1,832	9,978	4,320	22,677
- FBO Network Tanzania	142,704	27,903	336,489	63,417
- mediFIKIA Programme	14,853	-	35,023	-
- HRH & Deployment & Retention Policy Programme	-	246,224	-	559,615
- Other Programme Expenses	348,632	225,514	822,054	512,545
- COVID TA Tanzania	<u>-</u>	<u>57,669</u>	<u>-</u>	<u>131,069</u>
	<u>1,910,087</u>	<u>1,591,048</u>	<u>4,503,890</u>	<u>3,616,117</u>

The program activities are as described below;

M-mama Program

A four-year public-private partnership to reduce maternal mortality and morbidity in Tanzania, Kenya and Lesotho through a combination of health system improvements and innovative mobile solutions in the entire country.

WatotoCare Program

An 18-months program to test and validate an innovative solution to retain into care newborns after they are discharged from the health facilities after birth. The program will set up a newborn registry at a district hospital in the Lake Zone and ensure either transportation to the health facility or a teleconsultation to newborns depending on their risk profile.

Health Technology Management Program

An effort to share lessons learned from the establishment of an engineering center of excellence at Bugando Medical Center (BMC) with other facilities and develop Tanzania's capabilities to manage and maintain biomedical and hospital equipment by employing best practices in engineering, operations and management across the country.

TOUCH FOUNDATION TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

11. HEALTH PROGRAM EXPENSES (CONTINUED)

FBO Network Program

A multi-year partnership between Touch, USAID, and the Christian Social Services Commission (CSSC) to improve the patient services and financial resilience of CSSC hospitals based on the previous assessment and solutions validated at Sengerema Council Designated Hospital (SCDH). The main areas of focus for the implementation are: i) developing an HRH and management dashboard for CSSC hospitals and train/mentor leaders in using the dashboard for managing facility operations and finances; ii) implement revenue generating services such as “fast-track” of OPD patients; iii) develop and validate cost effective and self-sustaining tele-consultation services to improve patient access to care.

MediFIKIA Program

In partnership with Sanofi’s Global Health Unit, Touch started addressing the need for improving access to essential medicines and services for Non-Communicable Diseases (NCDs) in Tanzania. In collaboration with the Tanzania Diabetes Alliance, Touch conducted an assessment of the current gaps in 5 facilities in the Lake Zone of Tanzania and designed a program focused on: i) improving data availability for NCD patient tracking, retention and referrals; 2) improving operational practices in stock management and ordering processes for medicines at facilities. The program is expected to provide support and mentorship to up to 30 facilities in the Lake Zone in 2 years.

Other Programme Expenses

Costs associated with the development of new programmes, disseminating lessons learned from existing programmes and general programme costs such as office expenses, contract management costs and telecom that support all programmes undertaken together by Touch TZ and Touch US.

12. RELATED PARTY BALANCES AND TRANSACTIONS

Touch TZ had the following balances and transactions with related parties as at year end:

Related party balances

	2023 USD	2022 USD	Memorandum	
			2023 TZS ‘000	2022 TZS ‘000
Refundable advance to Touch US	137,244	179,588	343,110	416,259
	<u>137,244</u>	<u>179,588</u>	<u>343,110</u>	<u>416,259</u>

Related party transactions

Grant received	1,593,742	895,900	3,757,964	2,036,193
Expenses incurred by Touch US on behalf of Touch TZ	(178,196)	(481,056)	(420,177)	(1,093,339)
	<u>1,415,546</u>	<u>414,844</u>	<u>3,337,787</u>	<u>942,854</u>

During this fiscal year, the salaries and wages corresponding to the CPO and CFO were included as expenses according to the time allocations corresponding to the programs carried out by Touch Foundation Tanzania. The corresponding amounts were \$37,480 and \$7,687 respectively.

13. CONTINGENT LIABILITIES

The Directors confirm that there are no contingent liabilities against Touch TZ as at the date of this report.

14. SUBSEQUENT EVENTS

The company changed its name to Touch Health Tanzania. This change is in line with the global rebranding efforts. The name change was approved during the Extraordinary AGM held on February 7, 2024.

The Directors confirm that there were no other events subsequent to the year-end up to the date of this report that require either a disclosure or an adjustment in the financial statements.