

COMPREHENSIVE COMMUNITY - BASED REHABILITATION IN TANZANIA (CCBRT)

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

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Table of Contents	Page
Key Information	1
Governing Board Members' Report	2 - 13
Word from the CEO	14
Statement of the Governing Board Members' Responsibilities	15
Declaration of the Head of Finance	16
Independent Auditor's Report	17 - 19
Financial Statements:	
Statement of profit or loss and other comprehensive income	20
Statement of financial position	21
Statement of changes in reserves	21
Statement of cash flows	23
Notes	24 - 60

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

KEY INFORMATION

PRINCIPAL PLACE OF BUSINESS

Comprehensive Community-Based Rehabilitation in Tanzania (CCBRT)
Msasani Village
Kimweri Road
PO Box 23310
Dar es Salaam
Tanzania

REGISTRATION AND COMPLIANCE

On 12 October 1994, Comprehensive Community-Based Rehabilitation in Tanzania (CCBRT) was incorporated under the Societies Ordinance, 1954, CAP 337 R.E 2002. Subsequently, on 22 May 2018, the Registrar of NGO's issued a Certificate of Compliance Number 00002071, which certify that CCBRT has duly complied with the terms and conditions of NGOs under the Non-Governmental Organizations Act, 2002. According to Section 11 (4) of Non-Governmental Organizations Act, No. 24 of 2002, "A certificate of compliance shall be issued upon satisfaction by each of such Non Governmental Organization of the terms and condition under this Act and shall have similar effect as certificate of registration issued under this Act".

BANKERS

Bank of Africa (Tanzania) Limited
NDC Development House
Ohio/Kivukoni Drive
P.O. Box 3054
Dar es Salaam
Tanzania

Azania Bank Limited
Mawasiliano Towers
P.O. Box 32089
Dar es Salaam
Tanzania

NBC Limited
Moshi Branch
P.O. Box 3030
Moshi
Tanzania

Absa (T) Limited (Former Barclays (T) Limited)
Absa House
Ohio Street
P.O Box 5137
Tanzania

Stanbic Bank
Centre Branch
P.O. Box 72647
Dar es Salaam, Tanzania

NMB Bank
Oyster Branch
P.O. Box 162409
Dar es Salaam, Tanzania

SOLICITORS

IMMMA Advocates
IMMMA House, Plot No. 357
United National Road, Upanga
P.O. Box 72484
Dar es Salaam, Tanzania

AUDITORS

PricewaterhouseCoopers
369 Toure Drive
3rd Floor, Pemba House
P.O. Box 45
Dar es Salaam, Tanzania

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The Governing Board Members submit their report, together with the audited financial statements, for the year ended 31 December 2019, which disclose the state of affairs of Comprehensive Community-Based Rehabilitation in Tanzania ("the CCBRT").

1 BACKGROUND AND PRINCIPAL ACTIVITIES

The Comprehensive Community-Based Rehabilitation in Tanzania was established in 1994. Since its establishment, CCBRT has grown to become the largest rehabilitation and disability service provider in Tanzania through its ophthalmology, orthopaedic and rehabilitation, plastic and reconstructive surgery, and maternal and new-born health services. CCBRT operates the country's largest obstetric fistula programme and leads in cleft lip/palate and clubfoot treatments. In 2019, CCBRT provided clinical and rehabilitation services at two facilities, its hospital in Dar es Salaam and rehabilitation centre in Moshi, and further supported over 20 partner facilities.

CCBRT integrates disability health and maternal and new-born healthcare through primary, secondary and tertiary prevention. To help prevent and facilitate early identification of disability, and improve maternal and new-born healthcare, CCBRT is establishing a facility for specialised maternity and new-born healthcare services. Currently, in close partnership with the Government of Tanzania's Dar es Salaam Regional Health Management Team, CCBRT is strengthening the referral system and building the capacity of maternal and new-born healthcare service delivery at 23 existing public facilities in the Dar es Salaam region.

Training and capacity building are essential to CCBRT's work, and are being further strengthened through training centre, the 'CCBRT Academy', which is providing training and education opportunities for CCBRT staff and human resources for health, management and related fields across Tanzania and beyond. Training and support in livelihood activities for clients is provided through the CCBRT Moshi House of Hope rehabilitation centre, and the Mabinti Centre in Dar es Salaam which provides training courses and employment for women who received treatment for fistula at CCBRT.

Combined with a strong presence in the community and international reputation, CCBRT's expertise is also mobilised to advocate for the rights of people with disabilities and promote disability inclusion through advocacy. CCBRT's work contributes to the implementation and upholding of the United Nations Convention on the Rights of People with Disabilities as well as within the wider global development context - the Sustainable Development Goals - as a specialised healthcare provider.

CCBRT seeks to provide accessible specialised healthcare for all Tanzanians in need. All children under the age of five, and the most vulnerable patients, receive care for free. To ensure accessibility, clients receive care at subsidised rates, but can choose to receive additional amenities through private services, from which the revenue generated cross-subsidises free and subsidised care. CCBRT continue to expand its private services in order to improve its financial health and also to ensure the continuation of free and subsidised care.

CCBRT's Vision

To be the leading provider of accessible, specialised health services in Africa.

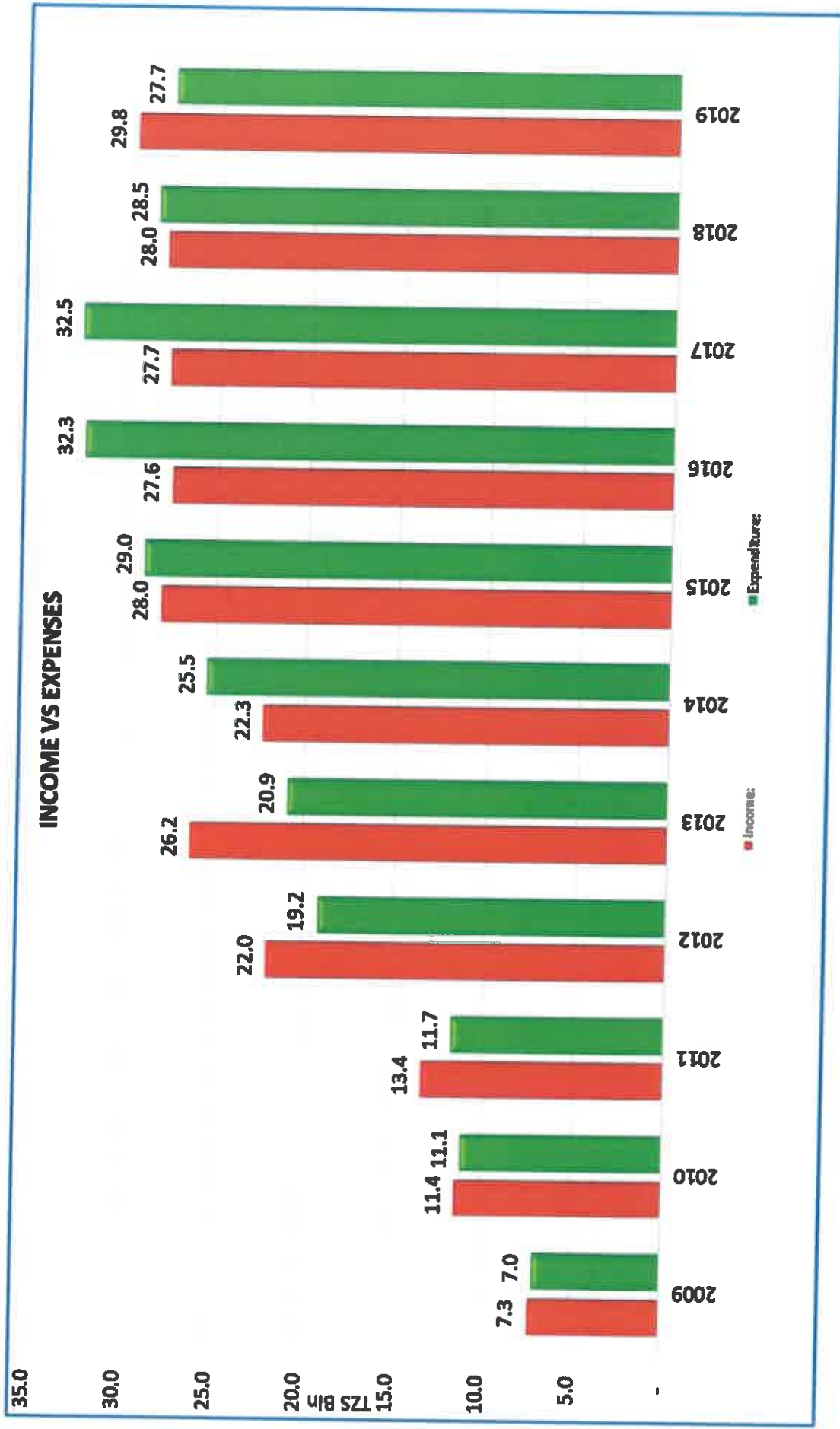
CCBRT's Mission

To become a healthcare social enterprise serving the community and the most vulnerable with accessible, specialized services and development programmes.

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

**GOVERNING BOARD MEMBERS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

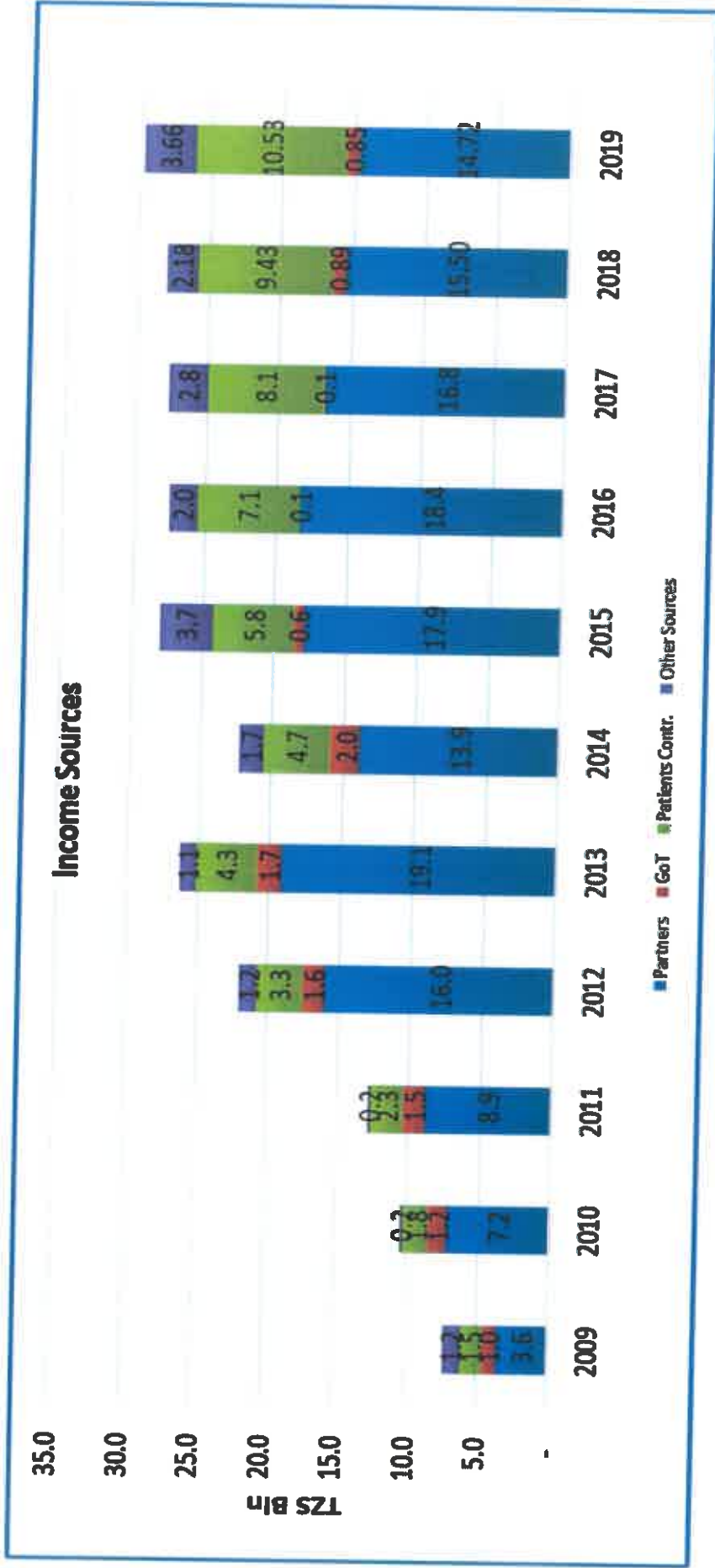
2 FINANCIAL HIGHLIGHTS



COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

**GOVERNING BOARD MEMBERS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

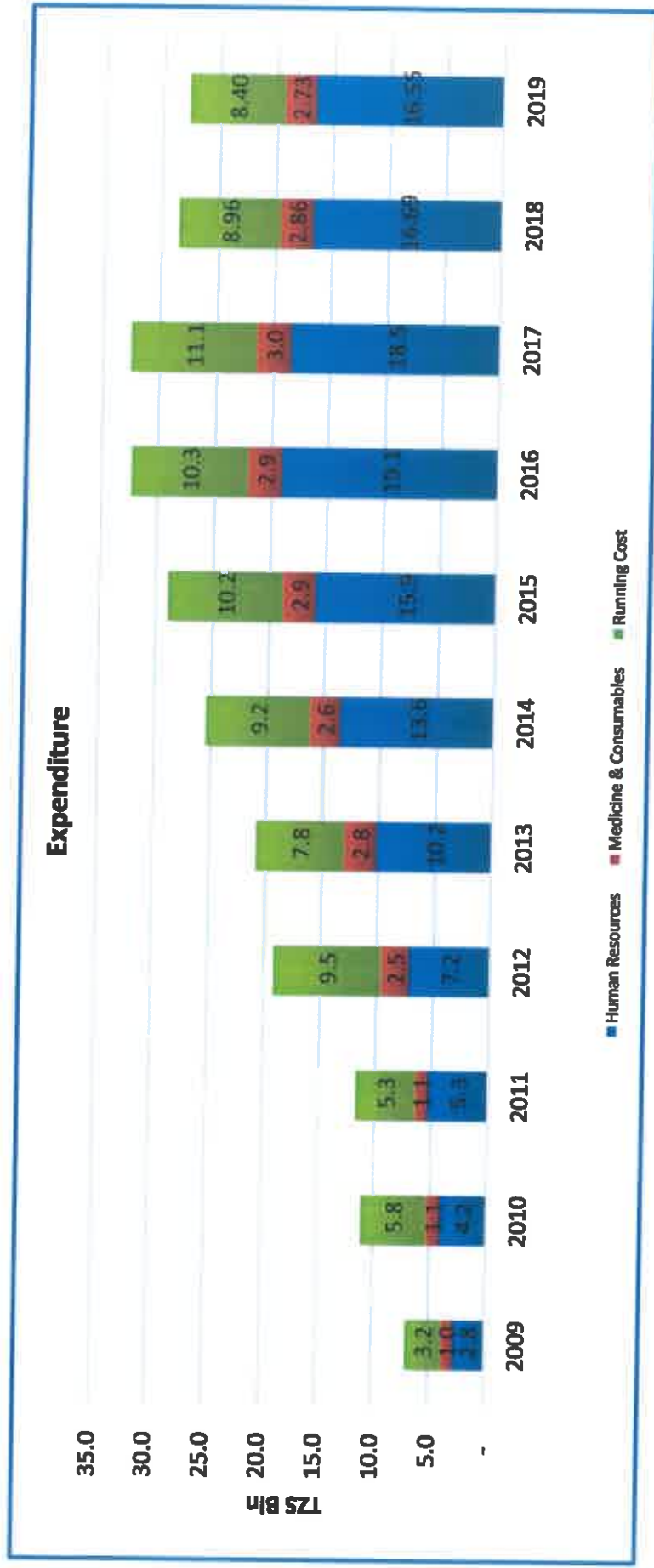
2 FINANCIAL HIGHLIGHTS (CONTINUED)



COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCERT)

**GOVERNING BOARD MEMBERS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

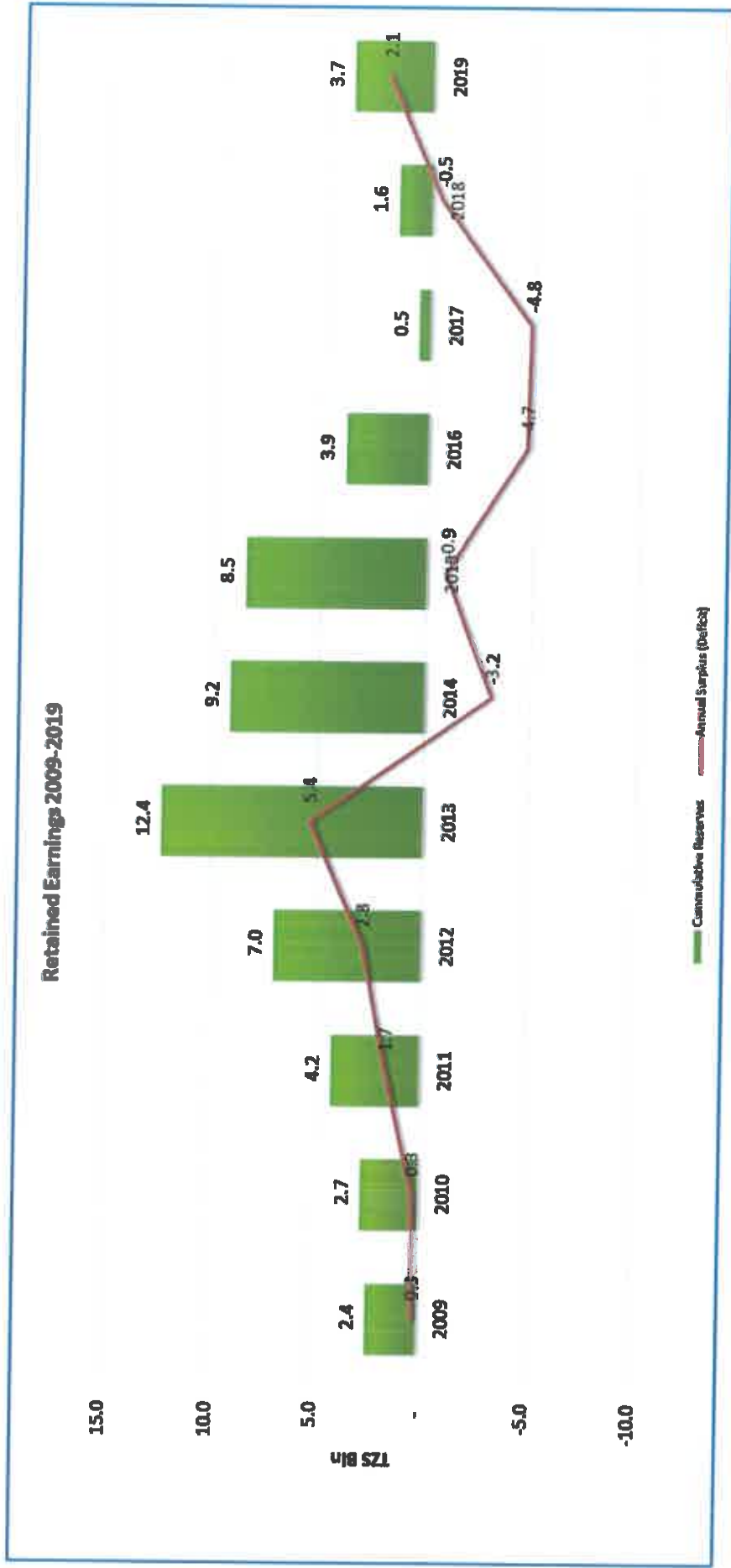
2 FINANCIAL HIGHLIGHTS (CONTINUED)



COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCERT)

**GOVERNING BOARD MEMBERS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

2 FINANCIAL HIGHLIGHTS (CONTINUED)



COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

**GOVERNING BOARD MEMBERS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

3 SERVICE DELIVERY REVIEW

	2018		2019		Total
	Total	CCBRT		Rural facilities /outreach	
		Standards	Private		
PATIENTS SERVED					
ALL Patients served	62,865	44,176	18,695	2,526	65,397
NEW Patients served	44,957	31,310	13,035	1,251	45,596
Subsidized Patients served (Patients received services from standard)	49,906	44,176	0	2,526	46,702
Free Patients served (\leq 5 years patients, fistula patients, cleft lip/palate)	12,786	10,899	0	1,373	12,272
NEW					
New case Eye	32,571	22,093	5,754	2,367	30,214
New case Ortho	8,969	5,848	1,670	232	7,750
New case Clubfoot	344	193	0	32	225
New case Cleft lip / palate	112	239	0	NA	239
New case VVF	767	511	0	NA	511
New case P&O	558	355	55	NA	410
New case Physio & Occupational therapy	1,112	668	482	NA	1,150
New case Burn	32	18	2	NA	20
New case seen Outpatient	579	NA	NA	703	703
New case seen in WTT (week of intensive training)	195	NA	NA	387	387
Total New Case	45,239	29,925	7,963	3,721	41,609

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

**GOVERNING BOARD MEMBERS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

3 SERVICE DELIVERY REVIEW (CONTINUED)

	2018		2019		Total
	Total		Rural facilities /outreach		
	Standards	Private	Standards	Private	
CONSULTATIONS					
Eye Consultations	68,938	51,930	17,775	2,367	72,072
Ortho Consultations	29,419	19,313	6,324	232	25,869
VVF consultations	769	517	-	-	517
Physiotherapy consultations & sessions-Only Dar	7,432	3,167	341	NA	3,508
P&O Consultations-Only Dar	290	187	2	NA	189
Outpatient client's consultations applicable only for Moshi	758	NA	NA	860	860
Club foot (Ponseti) Clients consultations	330	NA	NA	76	76
Bone deformity identified and referred for treatment	179	NA	NA	178	178
Total Consultations	108,115	75,114	24,442	3,713	103,269
OUTREACH TREATMENT					
Home visits Conducted	5,624	NA	NA	3,135	3,135
Home clients seen	2,053	NA	NA	863	863
Family supported through CBR(Rehabilitation)-Supportive units	3,536	1,353	NA	2,526	3,879
Supportive units' clinics done/ number of clinics done	736	384	NA	455	839
Supportive units' visits done	1,485	384	NA	1,720	2,104
NEW clients (unique) visited during the supportive units	1,475	336	NA	136	472
School Visits Conducted	87	NA	NA	52	52
School Children seen	214	NA	NA	168	168
Client seen in WIT	649	NA	NA	723	723
Total for CBR	15,859	2,457	NA	9,778	12,235
FOLLOW UP					
Seating clinic follow up	241	NA	NA	283	283
Total Follow up	241	NA	NA	283	283

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

**GOVERNING BOARD MEMBERS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

3 SERVICE DELIVERY REVIEW (CONTINUED)

	2018		2019		Total
	Total		CCBRT		
	Standards	Private	Standards	Private	
SURGERIES					
Eye surgeries	6,854	4,794	1,065	242	6,101
Ortho Surgeries (excl. cleft lip /palate, clubfoot, tenotomy & reconstructive)	821	551	217	0	768
Cleft lip / palate surgeries	207	277	0	0	277
Clubfoot surgeries	125	81	4	60	145
Tenotomy surgeries	90	52	2	0	54
Reconstructive surgeries (excluding cleft lip/palate)	110	97	7	0	104
VVF Surgeries	707	482	0	188	670
VP Shunting/CT Scan	25	NA	NA	13	13
TOTAL Surgeries	8,939	6,334	1,295	503	8,132
DEVICES					
Total Refractions conducted	15,353	14,185	3,872	NA	18,057
Total pts Assessed for Low Vision	929	786	46	NA	832
Total Glasses (spectacles) provided	7,581	4,495	4,965	51	9,511
Total Low Vision devices provided	241	137	4	NA	141
Lenses provided	178	94	42	NA	136
Frames provided	279	70	322	NA	392
Total Optical	24,561	19,767	9,251	51	29,069
prosthetics and orthotics devices					
Orthopaedic devices	423	601	0	NA	601
special seats	129	0	0	135	135
wheelchair	0	0	0	0	0
artificial eyes	412	516	0	534	1,050
Other devices	53	53	0	NA	53
Total Assistive Devices Provided (prosthetics and orthotics, special seats and orthopaedic devices)	307	0	0	0	0
	1,323	1,170	0	669	1,839

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

3 SERVICE DELIVERY REVIEW (CONTINUED)

2019 General statistics	2018		2019			Total
	Total		CCBRT		Rural facilities /outreach	
	Standards	Private	Standards	Private		
CAPACITY BUILDING						
People Trained in Disability Inclusion	275	NA	473	NA	NA	473
New-borns and Maternal Healthcare Professionals Trained	904	NA	285	NA	NA	285
WIT Meetings Conducted	45	NA	NA	38	38	38
Ponseti clinics conducted	73	NA	NA	67	67	67
HBC Training	15	NA	NA	16	16	16
CHW Training	447	NA	NA	247	247	247
Parents trained on livelihood activities	143	NA	NA	133	133	133
Families received Milk goats	0	NA	NA	0	0	0
Families received Materials (Vifaa)	0	NA	NA	0	0	0
Total capacity building	1,902	758	758	501	1,259	
MH services						
Number of women attended Antenatal care first visit	43,569	NA	NA	41,535	41,535	
Total Deliveries	83,441	NA	NA	81,078	81,078	
Live Birth	83,395	NA	NA	81,062	81,062	
Still Birth (FSB+MSB)	1,799	NA	NA	1,667	1,667	
Neonatal Death	1,148	NA	NA	978	978	
Maternal Death	74	NA	NA	64	64	
Caesarean Sections	12,832	NA	NA	14,284	14,284	
Instrumental Delivery (vacuum)	2,639	NA	NA	2,515	2,515	

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

4 PERFORMANCE RESULTS FOR THE YEAR

The total income (revenue, other income, and finance income) increased by 6.22% in 2019 with a total of TZS 29,751 million (2018: TZS 28,009 million). The increase is mainly attributed to the increase in revenue, other income as well as Finance income throughout the year.

The statement of financial position shows that during the year 2019 total assets increased by 25.07% to TZS 115,848 million (2018: TZS 92,628 million). The increase is mainly attributed to an increase in the cash balance, grant receivables and property plant and equipment due to valuation CCBRT buildings.

The net Surplus for the year 2019 of TZS 2,061 million (2018: The net loss of TZS 503 million) is reflected in the retained earnings account. The surplus for the year is mainly attributed to managing staff costs, as well as other measures taken to reduce repair and maintenance costs, training costs, patient related costs, security costs, communication & advertisement costs and transport costs.

5 GOING CONCERN

The Governing Board Members confirm that applicable accounting standards have been followed and the financial statements have been prepared on a going concern basis. The Governing Board Members have reasonable expectation that CCBRT has adequate resources to continue with its operation for at least twelve months from the date of these financial statements.

6 EMPLOYEE WELFARE

CCBRT has 414 staff at the end of 2019, with over half clinical, and continues to maintain expertise essential for quality specialised healthcare. CCBRT aims to retain, attract and recruit staff who share the It's values and reflect the diverse community served; 57% of the staff are female and over 6% of employees have disabilities. The Association of Tanzania Employers recognised CCBRT as 2nd Runner-Up for the Best NGO Employer of the Year Award, and the most Diverse and Inclusive Employer of the Year award at its annual Employer of the Year Award event in 2019.

CCBRT's Training Centre, (the 'CCBRT Academy') has continued to operate throughout 2019. There are 19 courses that were done during 2019. A variety of trainings, with both internal and external facilitators, were provided to staff in 2019 to a sum of 888 pax. CCBRT conducted general trainings compulsory for all staff such as fire training, and training on disability inclusion. As well as technical trainings for specific cadres of staff, such as Infection Prevention and Clubfoot. Also, the roll-out and subsequent training in the use of the Performance Improvement System (PIS), CCBRT's new management system, was conducted in the CCBRT Academy.

CCBRT celebrated its 25th Anniversary in 2019 November and therefore long serving employees were recognised and every employee got to participate in the staff party event that was done at Police Officer Mess.

CCBRT has been able to continue to provide other indirect employee benefits like transport and lunch for all 414 employees in 2019.

CCBRT pays contributions to the National Social Security Fund (NSSF) which is a pension plan and is mandatory. The average number of employees during the year was 414 (2018: 422).

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

7 RESERVES

Retained earnings

The retained earnings are generated from accumulated profit over years. The purpose of retained earnings is to support or to reinvest in the business operations in cases of either shortage of funding or any expansion of business activities. Governing Board Members do not share any profit and are not entitled to receive any benefits from the CCBRT's resources.

Revaluation reserve

In 2019, the CCBRT's buildings were revalued, where the measurement was Level 2. All other classes of assets (property and equipment) were carried out at cost model as per note 11 of the financial statements. The revaluation reserve generated is not available for distribution.

8 FUTURE DEVELOPMENTS

Maternity and New-born Hospital

In 2019, CCBRT continued with the construction of its future maternity and new-born facility with a tentative plan of accomplishing it in the year 2020.

9 CAPITAL STRUCTURE

The capital structure of CCBRT is created by grants/donations received for acquisition of fixed assets. The acquired assets are capitalised and funded through capital grant.

10 CORPORATE GOVERNANCE

The Governing Board has ten members and nine of them are non-executive members that are not involved in the day-to-day running of CCBRT. The CEO by virtue of her position is Secretary to the Governing Board. The Governing Board Members' possess a sufficient breadth of experience to bring independent judgement to the decision-making of the CCBRT's activities. The Governing Board meets between two and four times per year. The Board delegated day-to-day management and running of the CCBRT to the Chief Executive Officer who is assisted by the Hospital Executive Team (HEC).

11 GOVERNING BOARD MEMBERS

The Governing Board Members who held office during the year and to the date of this report, unless otherwise stated were:

<u>Name</u>	<u>Nationality</u>	<u>Position</u>	<u>Year of appointment</u>	<u>Year of resignation</u>
Dr. Willibrod P. Slaa	Tanzanian	President	1994	
Mr. Edwin Epp	Canadian	Member	2016	
Ms. Brenda Msangi	Tanzanian	Secretary / CEO	2019	
Mr. Davith Kahwa	Tanzanian	Member	2019	
Dr. Jim J. Yonazi	Tanzanian	Member	2019	
Mr. Amon Mpanju	Tanzanian	Member	2020	
Ms. Miranda Naiman	Tanzanian	Member	2020	
Mr. Bernard Christiaanse	Dutch	Member	2020	
Mr. Rupin J. Rajani	Tanzanian	Member	2020	
Mrs. Esther K. Kitoka	Tanzanian	Member	2020	
Prof. Godfrey Mmari	Tanzanian	Member	2007	2020
Mr. Jonathan A. Sutton	Irish	Treasurer	2010	2020
Mr. Biharilal K. Tanna	British	Vice President	2002	2019

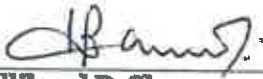
COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

**GOVERNING BOARD MEMBERS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

12 AUDITOR

The auditor, PricewaterhouseCoopers, has expressed its willingness to continue in office and is eligible for re-appointment. A resolution proposing the re-appointment of PricewaterhouseCoopers as auditor of the CCBRT for the year ending 31 December 2020 will be put to a Governing Board Members' Meeting.

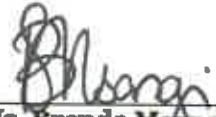
BY ORDER OF THE GOVERNING BOARD



Dr Willibrod P. Slaa
President

12/10/2020

Date



Ms. Brenda Msangi
Secretary/Chief Executive Officer

12/10/2020

Date



COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

WORD FROM THE CEO

FOR THE YEAR ENDED 31 DECEMBER 2019

During the second year of CCBRT's five-year (2018-2022) strategy, 2019 was characterised by major changes and steps towards financial sustainability. This year also marked 25 years of providing expertise in the fields of ophthalmology, orthopaedic and physical rehabilitation, plastic and reconstructive surgery, and maternal, new-born and child health services. Over the last 25 years, CCBRT has provided quality, specialised care to thousands of Tanzanians, which has been free or subsidised for vulnerable patients. In 2019 alone, CCBRT prevented over 30,000 Disability Life Adjusted Years, conducted over 115,000 consultations and almost 8,000 surgeries.

Some notable changes and achievements in 2019 include the official inauguration of the Private Clinic by the Minister for Health, Community Development, Gender, Elderly and Children (MoHCDGEC) Hon. Ummu Mwalimu in March 2019. This was a significant step in seeking sustainability by reducing external support and supporting CCBRT's charitable work. The clinic provides Orthopaedic, Ophthalmology, Baby Wellness, Paediatric, Dermatology, Gynaecology, Internal Medicine, Dialysis, Physiotherapy and Ear, Nose and Throat (ENT) services which includes services beyond those offered at CCBRT's 119-bed super specialist referral hospital. CCBRT Academy was inaugurated in 2019 with the aim of tapping into the acquired wealth of experience in delivering quality training and capacity building across service areas. CCBRT is an accredited clinical training site for Obstetric Fistula surgery skills by the International Federation of Gynaecology (FIGO), ponseti clubfoot training by MiracleFeet and Prosthetic & Orthotics training by Tanzania Training Centre for Orthopaedic Technologists (TATCOT). The CCBRT Academy is aimed at contributing to the continuous development of health professionals in Tanzania and around the world. Equipped with innovative 3D printing technology, CCBRT continued planning to promote and develop the technical capacity of local prosthetics and orthotics professionals with training on supporting 3D printing process and developing their prosthesis-fitting and gait training skills. A one of its kind gait-training space was opened to further support CCBRT's rehabilitative work. CCBRT's rehabilitation centre in Moshi started the expansion of its wheelchair seating service area in order to enhance its capacity to respond effectively to the needs in the community.

CCBRT's Advocacy and Disability Inclusion Unit continued advocating for the rights of Persons with Disabilities (PWD) and promoting disability inclusion in all aspects of life with the overall objective of creating an inclusive environment through training, advocacy, lobbying, advisory and research activities based upon human rights principles since its establishment in 2009. CCBRT is a partner in the "ALL INCLUSIVE" project in collaboration with CEFA, CONSOL, COPE and ATE. The team also participates in the international "THESE RIGHTS ARE MINE" project for refugees with IRC. CCBRT hosts a disability employment desk, where PwD are linked with employers for internships and employment. Furthermore, CCBRT works closely with disability groups such as the Tanzania Federation of Disabled People's Organisation (SHIVYAWATA), Under the Same Sun, among others. CCBRT also maintained its status as an exemplary organisation when it comes to inclusive employment with about 6% of its staff being persons with an impairment or disability.

CCBRT's maternal and new-born health care programme continued working with the Regional Health Medical Team (RHMT) and Muhimbili National Hospital (MNH) in 22 sites around Dar es Salaam to reduce high maternal mortality and morbidity rates through outreach training and supports 85,000 deliveries – 170,000 mothers and new-borns – each year, comprising 70% of all births in the region.



Ms. Brenda Msangi
Chief Executive Officer

Date: 12/10/2020

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

**STATEMENT OF THE GOVERNING BOARD MEMBERS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2019**

The Non-Governmental Organizations Act, 2002, requires the Governing Board Members to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the CCBRT as at the end of the financial period, and of its profit or loss for the year. It also requires the Governing Board Members to ensure that the CCBRT keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the CCBRT. They are also responsible for safeguarding the assets of the CCBRT and hence taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

The Governing Board Members accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates in conformity with International Financial Reporting Standard (IFRS) and the requirements of the Non-Governmental Organizations Act, 2002.

The Governing Board Members are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the CCBRT and of its profit in accordance with International Financial Reporting Standards (IFRS). The Governing Board Members further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements due to fraud or error.

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

Signed on behalf of the Governing Board Members by:

Dr. Willibrod P. Slaa
President

Date

12/10/2020

Ma. Brenda Msangi
Secretary / Chief Executive
Officer

Date

12/10/2020



COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

**DECLARATION OF THE HEAD OF FINANCE
FOR THE YEAR ENDED 31 DECEMBER 2019**

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a 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 Governing Board Members to discharge the responsibility of preparing financial statements of an entity showing a 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 members of the Governing Board as under the Statement of Governing Board Members' Responsibilities on an earlier page.

I, Elly Festo, being the Chief Finance Officer for Comprehensive Community-Based Rehabilitation in Tanzania (CCBRT) hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2019 have been prepared in accordance with the International Financial Reporting Standards (IFRS) and Statutory requirements. I thus confirm that the financial statements give a true and fair view position of Comprehensive Community Based Rehabilitation in Tanzania (CCBRT) as on that date and that they have been prepared based on properly maintained financial records.

Signed by



Mr Elly Festo
Chief Finance Officer
NBAA Membership No. ACPA 1969

Date: 12/10/2020

Independent Auditor's Report To the Members of Comprehensive Community-Based Rehabilitation in Tanzania (CCBRT)

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Comprehensive Community-Based Rehabilitation in Tanzania (the "CCBRT") as at 31 December 2019, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Non Governmental Organizations Act, No. 24, 2002.

What we have audited

The financial statements of Comprehensive Community-Based Rehabilitation in Tanzania as set out on pages 20 to 60 comprise:

- the statement of financial position as at 31 December 2019;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in reserves for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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 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 CCBRT in accordance with the IESBA International Code of Ethics for Professional Accountants (including International Independence Standards) (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 other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the NBAA.

Other information

The Governing Board Members are responsible for the other information. The other information comprises the Key Information, Governing Board Members' Report, Word from the CEO, Statement of the Governing Board Members' Responsibilities and Declaration of the Head of Finance 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 identified above 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 on the other information, 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.

Independent Auditor's Report (Continued)
To the Members of Comprehensive Community-Based Rehabilitation in Tanzania (CCBRT)

Report on the audit of the financial statements (continued)

Responsibilities of the Governing Board Members for the financial statements

The Governing Board Members are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Non-Governmental Organizations Act, 2002 and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governing Board Members are responsible for assessing the 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 Governing Board Members either intend to liquidate the CCBRT or to cease operations, or have no realistic alternative but to do so.

The Governing Board Members are responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.
- Conclude on the appropriateness of the Governing Board Members' 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 CCBRT'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 CCBRT to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report (Continued)
To the Members of Comprehensive Community-Based Rehabilitation in Tanzania (CCBRT)

Report on the audit of the financial statements (continued)


Auditor's responsibilities for the audit of the financial statements (Continued)

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

Report on other legal and regulatory requirements

This report, including the opinion, has been prepared for, and only for the Governing Board Members of CCBRT as a body in accordance with Section 29 of Non-Governmental Organizations Act, No. 24 of 2002 and for no other purposes.

As required by the Section 29 of Non-Governmental Organizations Act, No. 24 of 2002, each Non-Governmental Organization shall for every calendar year: (a) prepare a report of its activities which shall be made available to the Public, the Council, the Board and other stake holders; and (b) prepare an annual audited report and submit copies thereof to the Council and the Board. There is no matter to report in respect of the foregoing requirements.



Nelson E. Msuya, FCPA – PP

For and on behalf of PricewaterhouseCoopers
Certified Public Accountants
Dar es Salaam

Date: 13th OCTOBER 2020

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	2019 TZS'000	Restated 2018 TZS'000
Revenue	5	26,612,469	26,097,169
Other income	6	2,109,464	1,614,218
Operating costs	7	<u>(27,263,737)</u>	<u>(28,252,136)</u>
Operating income/(loss)		1,458,196	(540,749)
Finance income	8(b)	1,029,549	297,678
Finance costs	8(a)	<u>(426,655)</u>	<u>(260,125)</u>
Profit/(loss) before income tax		2,061,090	(503,196)
Income tax expense	10	<u>-</u>	<u>-</u>
Profit/(loss) for the year		2,061,090	(503,196)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive Profit/(loss) for the year		<u>2,061,090</u>	<u>(503,196)</u>

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

STATEMENT OF FINANCIAL POSITION


	Note	2019 TZS'000	Restated 2018 TZS'000	Restated 2017 TZS'000
ASSETS				
Non-current assets				
Property and equipment	11	63,996,775	46,114,180	43,939,448
Intangible assets	12	52,337	295,863	392,474
Grants receivable	15	10,743,611	23,094,822	28,173,327
		<u>74,792,723</u>	<u>69,504,865</u>	<u>72,505,249</u>
Current assets				
Inventories	13	2,261,283	2,306,467	2,374,474
Accounts receivable	14	3,680,223	1,975,854	2,306,521
Grants receivable	15	22,555,354	11,001,574	7,638,147
Cash and cash equivalents	16	12,558,835	7,839,403	13,595,267
		<u>41,055,695</u>	<u>23,123,298</u>	<u>25,914,409</u>
TOTAL ASSETS		<u>115,848,418</u>	<u>92,628,163</u>	<u>98,419,658</u>
RESERVES AND LIABILITIES				
RESERVES				
Retained earnings		3,740,579	1,554,409	1,946,933
Revaluation reserve		3,775,900	1,197,567	1,308,238
Total reserve		<u>7,516,479</u>	<u>2,751,976</u>	<u>3,255,171</u>
LIABILITIES				
Non-current liabilities				
Capital grants	18	51,697,160	36,123,094	36,123,094
Deferred income grants	19	6,443,817	23,554,335	23,554,335
Borrowings	17	6,274,399	6,842,485	6,842,485
		<u>64,415,376</u>	<u>66,519,914</u>	<u>66,519,914</u>
Current liabilities				
Deferred income grants	19	37,282,501	19,130,901	19,130,901
Accounts payable	20	5,288,325	4,225,372	4,225,372
Borrowings	17	1,345,737	-	-
		<u>43,916,563</u>	<u>23,356,273</u>	<u>23,356,273</u>
TOTAL LIABILITIES		<u>108,331,939</u>	<u>89,876,187</u>	<u>89,876,187</u>
TOTAL RESERVE AND LIABILITIES		<u>115,848,418</u>	<u>92,628,163</u>	<u>98,419,658</u>

The financial statements on pages 20 to 60 were approved by the Governing Board Members on

12/10/2020 and signed on its behalf by:


Dr Willibrod P. Slaa
President




Ms. Brenda Msangi
Secretary / CEO

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

STATEMENT OF CHANGES IN RESERVES

	Retained earnings	Revaluation reserve	Total
	TZS'000	TZS'000	TZS'000
Year ended 31 December 2019			
At start of year	1,554,409	1,197,567	2,751,976
Revaluation -Building (Note 11)	-	2,703,413	2,703,413
Profit for the year	2,061,090	-	2,061,090
Release from revaluation reserve- depreciation	<u>125,080</u>	<u>(125,080)</u>	<u>-</u>
At end of the year	<u>3,740,579</u>	<u>3,775,900</u>	<u>7,516,479</u>
Year ended 31 December 2018			
At start of year	(801,407)	1,308,238	506,831
Prior years adjustments (Note 23)	<u>2,748,341</u>	<u>-</u>	<u>2,748,341</u>
Restated	1,946,934	1,308,238	3,255,172
Loss for the year	(503,196)	-	(503,196)
Release from revaluation reserve - depreciation	<u>110,671</u>	<u>(110,671)</u>	<u>-</u>
At end of the year	<u>1,554,409</u>	<u>1,197,567</u>	<u>2,751,976</u>

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

STATEMENT OF CASH FLOWS

		<u>2019</u>	<u>2018</u>
		TZS '000	TZS '000
Cash flow from operating activities			
Profit/(loss) for the year		2,061,090	(503,196)
<i>Adjustments for:</i>			
Release of capital grants	6	(1,646,296)	(1,430,421)
Gain on disposal of property, plant and equipment	6	(8,000)	(52,352)
Depreciation	7	2,097,384	1,735,604
Amortisation of intangible asset	7	243,528	183,236
Loss on disposal/write off of assets	7	-	6,103
<i>Change in working capital items</i>			
Inventories		45,184	68,007
Accounts receivable		(1,704,369)	330,665
Accounts payable		<u>1,062,953</u>	<u>1,121,725</u>
Net cash generated from operation		<u>2,151,474</u>	<u>1,459,371</u>
Cash flow from investing activities			
Purchase of property, plant and equipment	11	(17,276,566)	(4,051,194)
Purchase of intangible assets	12	-	(86,625)
Proceeds on disposal of equipment		<u>8,000</u>	<u>52,352</u>
Net cash used in investing activities		<u>(17,268,566)</u>	<u>(4,085,467)</u>
Cash flow from financing activities			
Proceeds from borrowings		777,651	153,557
Grants received		<u>19,058,873</u>	<u>(3,283,325)</u>
Net cash generated/(used) from financing activities		<u>19,836,524</u>	<u>(3,129,768)</u>
Increase/(decrease) in cash and cash equivalent		<u>4,719,432</u>	<u>(5,755,864)</u>
Movement in cash and cash equivalents			
At start of year		7,839,403	13,595,267
Increase/(decrease)		<u>4,719,432</u>	<u>(5,755,864)</u>
At end of year	16	<u>12,558,835</u>	<u>7,839,403</u>

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

NOTES (CONTINUED)

1 GOING CONCERN BASIS OF THE FINANCIAL STATEMENTS PREPARATION

CCBRT generated profit of TZS 2,061 million for the year ended 31 December 2019 and as of that date it had a positive reserve of TZS 7,516 million. CCBRT is not-for-profit entity and generates its income mainly from the donor funding, hospital services rendered, and medicines sold to patients (cost sharing).

The financial statements have been prepared on a going concern basis having regard to the forecast made for the private clinic which has been in operation for the last one and half year of financial year 2019 and continued support from strategic partners (donors) based on the Strategic Plan prepared for years 2018 to 2022. As at 31 December 2019, strategic partners committed funding amounted to TZS 37.2 Billion through funding agreements beyond the financial year 2020. In addition, the revenue projection for cost sharing from patients in 2020 is TZS 11.5 Billion versus TZS 10.5 Billion achieved in 2019.

Hence, the Governing Board Members have a reasonable expectation that CCBRT has adequate resources to continue with operations at least 12 months from the date of these financial statements.

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 of Comprehensive Community Based Rehabilitation in Tanzania (CCBRT) 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, as modified by the revaluation of buildings.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the CCBRT's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

(b) Changes in accounting policy and disclosures

(i) *New and amended standards adopted by CCBRT*

IFRS 16 - Leases

IFRS 16, Leases. IFRS 16 will affect primarily the accounting by lessees and will result in the recognition of almost all forms of leases on the Balance Sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases

The statement of profit or loss will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change. Operating cash flows will be higher as cash payments for the principal portion of the lease liability are classified within financing activities. Only the part of the payments that reflects interest can continue to be presented as operating cash flows.

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

NOTES (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) New and amended standards adopted by CCBRT (continued)

IFRS 16 – Leases (continued)

The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Lease Accounting

CCBRT assesses whether a contract contains a lease, at inception of the contract. It recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less). For any short-term leases, CCBRT recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Lease Liability is initially measured at the present value of the lease payments payable over the lease term discounted using the incremental borrowing rate. Variable lease payments that depend on a rate are included on initial measurement and the Lease Liability is subsequently re-measured to reflect changes in:-

- the lease term (using a revised discount rate);
- the amounts expected to be payable under residual value guarantees (using an unchanged discount rate); and
- Future lease payments resulting from a change in an index or a rate used to determine those payments (using an unchanged discount rate).

The re-measurements are treated as adjustments to the Right of Use Asset. In addition, lease modifications may also prompt re-measurement of the lease liability unless they are to be treated as separate leases.

The lease liability is presented as a separate line in the statement of financial position

The Right of Use Asset is initially measured as follows: -

- Lease liability;
- Any initial direct costs incurred by the lessee;

After lease commencement, the Right of Use Asset is measured using the cost model. The Asset will be depreciated on a straight-line basis over the remaining period of the lease. The Right of Use Asset will be assessed for impairment at the end of every financial period as required by International Accounting Standards, 36, Impairment of Assets.

The Right of Use Asset is presented as a separate line in the statement of financial position.

At adoption date there is no lease contract identified from the available contract between CCBRT and suppliers.

(ii) New standards and interpretations that are effective and have not been adopted early

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

NOTES (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Tanzania shillings in thousands (TZS '000') which is the CCBRT'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 recognised in the statement of profit or loss.

(d) Income recognition

The Entity derives its revenue from the following sources:

- (i) Donations in cash and in-kind from development partners and other partners; and
- (ii) Revenue from services rendered and medicines sold to patients (cost sharing).

Revenue is recognised as follows:

- (i) **Donation income:** Donations are recognized once there is reasonable assurance that the Entity will (a) comply with terms of the agreement(s); and b) there is reasonable assurance that the grant shall be received. Donations received in the form of consumable materials (in-kind) are classified as revenue grants.
- (ii) **Rendering of services:** Revenue is recognised upon performance of services or delivery of medicines when the amount can be reliably measured and it is probable that the future economic benefits will flow to the Entity.
- (iii) **Interest income is recognised on a time proportion basis using the effective interest method on an accrual basis.**

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

NOTES (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Property and equipment

Property and equipment are initially recognised at cost. Buildings are subsequently measured at market value, based on valuations by external independent valuer, less depreciation. All other property and equipment are stated at historical cost less depreciation. Increases in the carrying amount arising on revaluation are credited to a revaluation reserve. Decreases that offset previous increases of the same asset are charged against the revaluation reserve; all other decreases are charged in the statement of profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged in the statement of profit or loss) and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Entity and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss 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 or revalued amounts to their residual values over their estimated useful lives, as follows:

<i>Asset class</i>	<i>Rate (%)</i>
Buildings	4
Tools and Machinery	12.5
Motor vehicles	25
Motorcycles and bicycles	25
Equipment	12.5
Furniture and Fittings	12.5
Computers	33-33

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. The assets carrying amount is written down immediately to its recoverable amount if the assets 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 profit or loss within other income.

(f) Intangible assets

Cost incurred on computer software is initially accounted for as an intangible asset and subsequently measured at cost less any accumulated amortisation and accumulated impairment losses. Amortisation is calculated on straight line basis over the estimated useful life of four years. Costs incurred in maintaining computer software programmes are expensed as incurred.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the Weighted Average Cost method (WAC) less provision for impairment. Net realisable value is the estimated selling price in the ordinary course of business less applicable cost to sell. Provision is made where necessary for obsolete, expired and defective stocks.

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

NOTES (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial assets

(i) Classification

All financial assets of the Entity are in the category of loans and 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 Entity's receivables comprise, 'trade and other receivables'; 'grant receivables' and 'cash and cash equivalents' in the statement of financial position.

(ii) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date (i.e., the date on which the Entity commits to purchase or sell the asset). Receivables are subsequently carried at amortised cost.

(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 recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(iv) Impairment

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

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

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

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

NOTES (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Trade and other receivables

Trade receivables are amounts due from customers for services rendered and medicine sold to patients in the ordinary course of business. Other receivables comprise of cash advances made to suppliers in the normal course of business.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment.

(j) Grant receivables

Grant receivable comprises contractual commitments from donors and development partners. Grant receivables are initially recognised at contracted value and subsequently measured at amortised cost based on actual amounts received from donors less provision for impairment.

(k) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held on 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.

(l) Taxation

(i) Current income tax

The Governing Board Members consider the Entity to be exempt from income taxes based on the criteria in the Income Tax Regulations which accord this status to entities that perform charitable activities and whose profit is within the required limits, or if higher is to be utilised for future charitable activities. The Income Tax Regulations require further an approval from the Commissioner of Income Tax for the entity to be granted a charitable Organisation status. This application was made and approved by Commissioner for Domestic Revenue on 7th November 2007.

(ii) Value added tax

Revenue, expenses and assets are recognised net of the amount of value added tax except where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of expense item as applicable.

(m) Capital grants

Donations received in the form of fixed assets are capitalised and credited to capital grant. Capital grants are amortised in the statement of profit or loss over the estimated useful lives of the assets concerned.

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

NOTES (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Deferred income grants

Deferred income grants represent an obligation to conduct donor funded activities per contractual commitments made between donors/development partners and the Entity/the recipient, where funds have been transferred in advance or not transferred and such activities have not yet occurred.

The Deferred income grant is a liability and represents a performance obligation. The deferred amount recorded on the recipient's statement of financial position generally represents the cash received in advance and/or contractual obligations, less the amount amortised for services performed to date.

(o) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any differences between proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Profit or Loss over the period of the borrowings, using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Entity has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

(p) Accounts payable

Accounts payable are obligations to pay for goods and services provided to the Entity in the ordinary course of business from suppliers. The obligations are unsecured and are usually paid within 45 days of recognition. Accounts payable are presented as current liabilities unless payment is not due within 12 months after year end.

(q) Employee benefits

(i) Retirement benefit obligations

The Entity has a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Entity pays fixed contributions into a separate entity. The Entity's contributions to the defined contribution schemes are charged in the Statement of Profit or Loss in the year in which they relate. The Entity and all its employees contribute to the National Social Security Fund (NSSF) which are defined contribution plans. The Entity has no legal or constructive obligations to pay further contributions if NSSF does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Entity has no further payment obligations once the contributions have been paid.

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

NOTES (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised 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).

(s) Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Entity of the counterparty.

(t) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, in respect of assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit or loss in the period in which they are incurred.

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

NOTES (CONTINUED)

3 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.

(a) Critical accounting estimates and assumptions

The Entity 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.

(i) Impairment of accounts receivable

The Entity reviews its debtor balances to assess impairment on an annual basis. In determining whether an impairment loss should be recorded in the statement of profit or loss, the Entity makes judgments using estimates based on historical loss experience for its debtors. It is on this basis that management have determined the risk of recoverability based on days outstanding.

(ii) Impairment of inventories

The Entity reviews its stock holdings and assesses for impairment on an annual basis. In determining whether an impairment loss should be recorded in the statement of profit or loss, the Entity assesses its inventory by assessing the month of stock and the expected expiry dates on consumable and medicine stock.

(iii) Estimated useful lives of property and equipment

The Entity determines the estimated useful lives and related depreciation charges for its property and equipment. This estimate is based on projected assets' life cycles.

4 FINANCIAL RISK MANAGEMENT POLICIES

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

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

Market risk

(i) Foreign exchange risk

The Entity enters into contracts denominated in foreign currencies especially in United States Dollar (USD), Euro (EUR) and British Pound (GBP) mainly for purchases of hospital equipment, supplies and medicine. In addition, the Entity has liabilities and assets denominated in foreign currencies. As a result, the Entity is subject to transaction and translation exposure from fluctuations in foreign currency exchange rates. Exposure to foreign currency risk is mitigated by the fact that most of the income and capital grants are negotiated and contracted in foreign currencies and foreign currency assets and liabilities are normally settled within a short period of time.

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

NOTES (CONTINUED)

4 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

Market risk (continued)

(i) Foreign exchange risk (continued)

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

As at 31 December 2019, if the Tanzanian shilling weakened/strengthened by 5% against the US dollar with all other variables held constant, change in loss for the year would have been TZS 207 million lower/higher mainly as a result of foreign exchange gains/losses on translation of US dollar denominated payables, receivables and cash.

As at 31 December 2019, if the Tanzanian shilling weakened/strengthened by 5% against the Euro with all other variables held constant, change in loss for the year would have been TZS 18 million higher/lower mainly as a result of foreign exchange gains'/losses on translation of Euro denominated payables, receivables and cash.

(ii) Interest rate risk

The Entity's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Entity to cash flow interest rate risk which is partially offset by cash held at variable rates. The Entity regularly monitors financing options available to ensure optimum interest rates are obtained.

At 31 December 2019, an increase/decrease of 100 basis points would have resulted in a decrease/increase in post-tax loss of TZS 76.2 million (2018: 68.4 million).

Credit risk

Credit risk arises from cash and cash equivalent, and deposits with banks, as well as trade and other receivables. With respect to trade receivables, the risk is limited due to the advance cash payment made by customers. The exposure to credit risk is monitored on an on-going basis.

Credit risk is managed by the Chief Finance Officer, except for credit risk relating to trade receivables. The Billing Manager is responsible for managing and analysing credit risk for each new client before standard payment and delivery terms are offered. The Entity Billing manager assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored.

The amount that best represents the Entity's maximum exposure to credit risk is the carrying value of its financial assets in the statement of financial position.

No collateral is held for any of the above assets. The Entity grades the credit quality of the receivables based on internal ratings in accordance with limits set by Board. Trade receivables are within the approved credit limits and no receivables have had their terms renegotiated.

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

NOTES (CONTINUED)

4 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

Credit risk (Continued)

The Entity's maximum exposure to credit risk (for financial instruments subject to impairment) is made up as follows:

	Trade and other receivables TZS '000	Cash at bank TZS '000	Total TZS '000
31 December 2019	5,182,880	12,537,632	17,720,512
31 December 2018	4,497,647	7,792,799	12,290,446

Expected credit losses:

The Entity has two types of financial assets that are subject to IFRS 9 impairment requirements (Expected credit losses):

- Trade and other receivables
- Cash and cash equivalents

The Entity was required to revise its impairment methodology under IFRS 9 for each of these classes of assets. The impact of the change in impairment methodology on the Entity's retained earnings and equity is disclosed in the table in notes above on significant accounting policies.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial. Further details are provided below.

Bank balances

There is no independent credit rating for banks operating in Tanzania. However, the Entity banks with reputable multinational and local banks. In the view of the members, risk of non-performance by the counterparties is not significant. At 31 December 2019, the cash held at banks by type of counterparty was as follows.

<u>Cash at bank</u>	<u>2019</u> TZS'000	<u>2018</u> TZS'000
Bank of Africa	11,889,688	6,206,730
Azania Bank Limited	264,247	1,018,447
NMB Bank Plc	1,677	418,745
NBC Bank Limited	203,186	128,064
Stanbic Bank	64,300	18,298
Barclays Bank Tanzania Limited	114,002	2,092
MIC Tigo Pesa (Mobile money wallet)	447	414
Vodacom M Pesa (Mobile money wallet)	85	9
Total cash at bank	12,537,632	7,792,799

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

NOTES (CONTINUED)

4 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

Credit risk (Continued)

At 31 December 2019, the exposure to credit risk for trade and other receivables was as follows:

	2019 TZS'000	2018 TZS'000
Trade receivables-gross	1,930,870	1,556,423
Other receivables-gross (i.e. Related parties and others)	<u>3,252,010</u>	<u>2,941,224</u>
	<u>5,182,880</u>	<u>4,497,647</u>

Trade and other receivables:

The Entity's trade receivables mainly relate to receivables from medical insurance companies. The Entity mainly accepts medical cards from NHIF, AAR, Jubilee, Strategies, and insurance companies in Tanzania. Management carries out an individual impairment assessment for these receivables due to small numbers of counterparties. The factors that are considered in assessing impairment for each customer's balance individually include:

- (a) adverse changes in the payment status of the counterparty;
- (b) financial difficulties of the counterparty based on information obtained by the Chief finance officer;
- (c) consistent failure by the counterparty to settle the amount due on time,
- (d) adverse market conditions affecting the counterparty;
- (e) Historical experience in dealing with the insurance Entity including change in the purchase behaviour.
- (f) The impact of the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Entity takes into account factors such as GDP and the inflation rate in Tanzania to be the most relevant factors, and accordingly adjusts expected credit losses based on expected changes in these factors.

The Entity has performed an impairment assessment for each receivable from medical insurance Entity individually by assessing the customer's ability to pay amount due on time considering internal information, external market information and borrowers' specific information. It was noted that of the total exposure as at 31 Dec 2019 of TZS 1,931 million a significant balance was settled subsequently to year end (that is, as of 31 March 2020) leaving an immaterial balance. Based on this analysis and other factors explained above, management is of the view that the level of impairment recognised as of 31 December 2019 is adequate.

The impairment provision recognized mainly relates to National Health Insurance Fund (NHIF) who has disputed some involved amounts. Management is still in the discussion with the respective counterparty to provide the relevant clarifications before the amount is settled. Based on management assessment this amount is considered immaterial. The analysis impairment losses in relation to this counterparty and its loss ratios is provided below:

Loss rates	Days Outstanding				
	0-45	45-90	90-135	135-180	180+
2018	8%	8%	16%	93%	93%
2019	23%	9%	71%	60%	85%

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

NOTES (CONTINUED)

4 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

Credit risk (Continued)

Management based on historical experience in dealing with the other medical insurance companies the loss ratio is insignificant. No impairment allowance was recognized in relation to other medical insurance companies.

Forward looking information: Management considers the impact of forward-looking information in measuring impairment. For the purpose of ECL measurement the following factors were considered to be relevant: GDP, Inflation and other factors such as the expected election in the coming year. However, given that the majority of the Entity's receivables are of short-term nature i.e. below 365 days, the impact of forward-looking information is considered to be immaterial.

The below table provides an analysis of receivable balance at year per counterparty and the amount of collection per each counterparty subsequent to year end.

Counter party	Outstanding balance 31 December 2019 TZS "000"	Impairment losses 31 December 2019 TZS "000"	Amounts subsequently collected on outstanding balance TZS "000"	Outstanding balance 31 March 2020 TZS "000"
National Health Insurance Fund	1,347,850	143,377	1,204,473	-
AAR Insurance Tanzania	247,309	41,681	159,676	45,952
Strategis Insurance Tanzania	129,392	18,592	110,800	-
The Jubilee Insurance Tanzania	49,443	17,967	31,476	-
Resolution Health (East Africa Limited)	29,140	29,140	-	-
Other Health Insurance Providers	127,736	56,160	-	71,578
Total(s)	1,930,870	306,917	1,506,425	117,530

For movement of loss allowance for trade and other receivables refer to *notes on receivables*.

The Entity reviews its trade receivable balances to assess impairment on an annual basis. In determining whether an impairment loss should be recorded in the statement of profit or loss, the Entity makes judgements using estimates based on historical loss experience for its trade receivables. It is on this basis that management have determined the risk of recoverability based on days outstanding. Subsequent recoveries of amounts previously written off are credited against the same line item.

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

NOTES (CONTINUED)

4 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

Credit risk (Continued)

Other receivables:

These amounts generally arise from transactions outside the usual operating activities of the Entity. Management performed an impairment assessment on these balances by considering historical experience and concluded that the identified impairment loss i.e. TZS 216 million was material which was recognised accordingly. The balance of other receivables as at 31 December 2019 (which also reflects the maximum exposure to credit risk) is TZS 481 million (2018: TZS 481 million)

Amounts due from related parties

These relate to amounts due from Kupona Foundation (USA). Management performed an impairment assessment on these balances by considering the nature of parties relation, historical experiences in dealing with Kupona Foundation (USA) and concluded that the identified impairment loss was material i.e. TZS 2,770 million which was recognised accordingly since the amount has been outstanding for more than 12 months, Further information on these balances is provided in notes on related parties).

TRADE AND OTHER RECEIVABLES

	2019	2018
	TZS '000	TZS '000
Trade receivables	1,930,870	1,556,423
Less: provision for impairment of trade receivables	(306,917)	(176,892)
Trade receivables – Net (a)	<u>1,623,953</u>	<u>1,379,531</u>
Amounts due from related parties [related parties notes]		
Kupona Foundation (USA) (b)	2,770,171	2,459,385
Other receivables (c)	481,839	481,839
Less: provision for impairment of other receivables (d)	(2,985,524)	(2,836,809)
Total trade and other receivables (e) = (a)+(b)+(c)+(d)	<u>1,890,439</u>	<u>1,483,946</u>
<i>Movement in the provision of receivables is as follows;</i>		
At start of the year	3,013,701	2,904,154
Charge of provision to profit or loss, net of write-off	278,740	109,547
At end of the year	<u>3,292,441</u>	<u>3,013,701</u>

The provision for impaired receivables is disclosed separately in the statement of profit or loss. Amounts charged to the provision account are generally written off, when there is no expectation of recovering additional cash.

The fair values of trade and other receivables (excluding prepayments and statutory deposits – if applicable) approximate their carrying values.

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

NOTES (CONTINUED)

4 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

Liquidity risk

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

The table below analyses the Entity's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. During 2019 Entity has requested extension of bank borrowing grace period to July 2020.

	Less than 1 year TZS '000	Between 1 and 5 years TZS '000	Over 5 years TZS '000
At 31 December 2019:			
- trade and other payables (excluding statutory liabilities)	5,243,041		-
- interest on borrowings	342,659	784,672	-
- bank borrowings**	588,174	6,274,399	-
- Bank overdraft	757,563	-	-
	<u>6,931,437</u>	<u>7,059,071</u>	<u>-</u>
At 31 December 2018:			
- trade and other payables (excluding statutory liabilities)	4,209,594		-
- interest on borrowings	340,705	783,107	-
- bank borrowings	-	6,842,485	-
	<u>4,550,299</u>	<u>7,625,592</u>	<u>-</u>

** The term loan repayment schedule was mutually revised, and the first principal instalment payment is on 31 July 2020 instead of 31 July 2019.

Capital risk management

The Entity's objectives when managing capital is to safeguard its ability to continue as a going concern in order to; (i) ensure a continued support and reinvestment into the business operations in case of either shortage of funding or any expansion of the business activities; and (ii) to maintain an optimal capital structure to reduce the cost of capital.

The Entity monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less the Entity's own cash and cash equivalents after adjusting for donor funds assigned to specific projects. Total capital is calculated as reserves plus net debt. The gearing ratios at 31 December 2019 and 2018 were as follows:

	2019 TZS'000	2018 TZS'000
Total borrowings (Note 17)	7,620,136	6,842,485
Add: cash and cash equivalents deficit adjusted for donor funds	<u>2,462,935</u>	<u>1,761,047</u>
Net debt	10,083,071	8,603,532
Total reserves	<u>7,516,479</u>	<u>2,751,976</u>
Total capital	<u>17,599,550</u>	<u>11,355,508</u>
Gearing ratio	<u>57%</u>	<u>76%</u>

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

NOTES (CONTINUED)

	2019	2018
	TZS'000	TZS'000
5 REVENUE		
Grants-Donors (note 5(a))	15,484,185	16,292,807
In-Kind Donations (note 5(b))	411,956	337,095
Other Donations	189,610	37,928
	<hr/>	<hr/>
Total grants and donations	16,085,752	16,667,831
Cost sharing from patients	10,526,718	9,429,339
	<hr/>	<hr/>
Total	26,612,469	26,097,169
(a) Grants-Donors		
Danish International Development Agency (DANIDA)	5,040,187	3,587,564
Global Affairs Canada (GAC)	183,075	3,021,884
Christian Blind Mission (CBM)	2,709,998	2,217,284
Irish Aid	2,042,318	1,872,565
Fistula Foundation	987,376	1,450,864
Vodafone Foundation-USAID	501,055	532,213
Light for the World (Belgium Directorate General for Development Cooperation) (LftW-DGD)	343,528	455,824
Porticus	228,403	408,122
Johnson & Johnson (J & J)	-	370,953
Kupona Foundation	348,407	283,664
Wheelchair Support	2,372	223,759
WISE	506,856	179,877
Miraclefeet	110,688	123,775
MIC Tanzania Limited	109,979	110,018
LaVelle	28,512	96,124
Grand Challenges Canada	72,208	88,483
The Charitable Foundation	17,976	87,277
Other organisations and individuals	-	79,944
Vodacom Tanzania Foundation	81,479	68,521
CEFA	101,770	65,960
Laerdal Foundation	116,895	53,015
KFW	49,010	49,170
Community Action for People with Disabilities in Africa (CAPDA)	220	26,743
Bona Officia	-	26,410
Special Fund for Disabled-International Committee of the Red Cross (SFD-ICRC)	825	13,078
Amref Health Africa UK	125,401	10,645
Latter Day Saints Humanitarian Services (LDS) Vision	-	748
Vicenza	5,319	114
The international Foundation	39,986	-
Rehabilitation international	162,690	-
Humanitarian grand challenger	226,781	-
Dorothea Haus Ross Foundation	44,109	-
Equinor	74,522	-
EHPK	253	-
EDHR	36,935	-
Spider	182,380	-
McLain Association	16,669	-
Providing Comprehensive Treatment to Women with Fistula in Tanzania	222,759	-
Government of United Republic of Tanzania	763,244	788,209
	<hr/>	<hr/>
	15,484,185	16,292,807

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

NOTES (CONTINUED)

	<u>2019</u>	<u>2018</u>
	TZS'000	TZS'000
5 REVENUE (CONTINUED)		
(b) Donation in kind		
Other Donors-Medicines and other consumable materials	83,909	101,090
Government-Medicines and other consumable materials	<u>328,047</u>	<u>236,005</u>
	<u>411,956</u>	<u>337,095</u>
6 OTHER INCOME		
Amortisation of capital grant (note 18)	1,646,296	1,430,421
Gain on disposal of Property plant and equipment	8,000	52,352
Other programme income	<u>455,168</u>	<u>131,445</u>
	<u>2,109,464</u>	<u>1,614,218</u>
7 OPERATING COSTS		
Employee benefit expenses (note 9)	16,552,786	16,689,403
Cost of consumables	2,732,959	2,859,667
Patients' subsidies and individual aid	694,845	897,362
Clearing and forwarding costs	102,255	89,078
Depreciation expenses (note 11)	2,097,384	1,735,604
Amortisation expense (note 12)	243,528	183,236
Training	680,844	549,886
Consultancy	864,916	926,181
Rent, premises and utility costs	691,840	575,627
Repairs and maintenance	292,601	593,869
Security charges	229,742	279,583
Audit fee – current year	280,038	306,255
Legal fee	54,512	37,049
Communication and advertisement	265,244	230,929
General and Administration expenses	432,532	1,368,200
Transport and motor vehicles expenses	287,315	324,683
Net bad debts provision (Trade receivable) (Note 14)	536,651	533,954
Bad debts provision (Kupona) (Note 14)	148,715	-
Grant Receivables Write-Off	23,054	-
Bank charges	51,976	65,467
Loss on disposal/ assets write-off	-	6,103
	<u>27,263,737</u>	<u>28,252,136</u>
8 FINANCE INCOME AND COST		
a) Finance costs		
Interest expense on bank loan	(347,979)	(260,125)
Interest expense on Overdraft Facility	(34,319)	-
Net foreign exchange gain (losses)	<u>(44,357)</u>	-
	<u>(426,655)</u>	<u>(260,125)</u>
b) Finance income		
Interest income on call deposits	21,677	14,219
Net exchange gains on cash and cash equivalents	<u>1,007,872</u>	<u>283,549</u>
	<u>1,029,549</u>	<u>297,678</u>
Net finance income	<u>602,894</u>	<u>37,553</u>

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

NOTES (CONTINUED)

	<u>2019</u> TZS'000	<u>2018</u> TZS'000
9 EMPLOYEES BENEFIT EXPENSES		
Salaries and wages	13,156,053	12,872,247
Social security funds	2,557,214	2,551,689
Other staff benefits	<u>839,519</u>	<u>1,265,467</u>
	<u>16,552,786</u>	<u>16,689,403</u>
10 INCOME TAX		
Current tax	-	-
Deferred tax	-	-
	-	-
Profit/(loss) before tax	<u>2,061,090</u>	<u>(503,196)</u>
Current tax on profit/(loss) before tax at the statutory tax rate	618,327	(150,959)
Adjusted for:		
- Non-taxable income	(2,031,699)	(1,968,670)
- Assets written through revaluation reserves	-	(33,201)
- Profit on sale of non-qualifying assets	(1,239)	-
- Unrecognised deferred tax assets	<u>1,414,611</u>	<u>2,152,830</u>
Income tax expenses	-	-

(a) Reconciliation of rate of tax

There is no tax charge arising for the year as the Entity made a tax loss during the year and it has estimated income tax losses of TZS 48,124 million (2018: TZS 44,169 million). For charitable Organisation, the Income Tax Act 2004 allows additional deduction which is equal to 25% of the Entity's income for the year in addition to normal expenses which are allowable for tax purposes. This incentive therefore continues to position the Entity in tax losses for the foreseeable future.

(b) Components of potential net deferred tax assets

	<u>2019</u> TZS '000	<u>2018</u> TZS '000
Deferred tax liabilities		
Fair value - Revaluations	<u>(1,132,770)</u>	<u>(359,270)</u>
Restated Deferred tax assets		
Property and equipment	<u>405,359</u>	307,292
Estimated income tax losses	<u>14,437,310</u>	12,444,195
General provisions	<u>1,019,929</u>	923,000
Net potential deferred tax assets	<u>14,729,828</u>	<u>13,315,217</u>

As at 31 December 2019 there is a potential deferred income tax asset of TZS 14,730 million (2018: TZS 14,122 million) arising mainly on account of the estimated income tax loss. This asset has not been recognised, as the Entity has a charitable Organisational status issued by Tanzania Revenue Authority and consequently it is certain that the Entity will not generate sufficient taxable profits in the near future to allow the temporary differences to be utilised.

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

NOTES (CONTINUED)

11 PROPERTY AND EQUIPMENT

	Buildings TZS'000	Motor vehicles TZS'000	Motorcycles & bicycles TZS'000	Equipment TZS'000	Computers TZS'000	Furniture & fittings TZS'000	Tools and machinery TZS'000	Capital work in-progress TZS'000	Total TZS'000
Year ended 31 December 2019									
Opening net book value	12,659,586	-	-	2,319,232	376,509	405,773	2,439,152	27,913,928	46,114,180
Transfers	1,357,382	-	-	-	-	-	-	(1,357,382)	-
Additions	291,931	-	-	56,466	69,674	33,371	380,643	16,444,481	17,276,566
Revaluation	2,703,413	-	-	-	-	-	-	-	2,703,413
Depreciation charge	(834,253)	-	-	(566,389)	(165,376)	(118,926)	(412,440)	-	(2,097,384)
Disposals and write-off	-	-	(31,011)	-	-	-	-	-	(31,011)
- Cost	-	-	31,011	-	-	-	-	-	31,011
- Accumulated depreciation	-	-	-	-	-	-	-	-	-
Closing net book value	16,178,052	-	-	1,809,309	280,807	320,218	2,407,355	43,001,027	63,996,775

At 31 December 2019

Valuation	5,176,800	-	-	-	-	-	-	-	5,176,800
Cost	12,067,695	1,021,064	18,132	5,739,768	1,596,419	1,113,911	3,490,817	43,001,027	68,048,833
Accumulated depreciation	(1,066,436)	(1,021,064)	(18,132)	(3,930,458)	(1,315,612)	(793,693)	(1,083,463)	-	(9,228,858)
Net book value	16,178,052	-	-	1,809,310	280,807	320,218	2,407,354	43,001,027	63,996,775

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

NOTES (CONTINUED)

11 PROPERTY AND EQUIPMENT (CONTINUED)

	Buildings TZS'000	Motor vehicles TZS'000	Motorcycles & bicycles TZS'000	Equipment TZS'000	Computers TZS'000	Furniture & fittings TZS'000	Tools and machinery TZS'000	Capital work in-progress TZS'000	Total TZS'000
Year ended 31 December 2018									
Opening net book value	3,206,759	17,745	-	1,728,608	119,609	450,091	1,699,558	36,717,078	43,939,448
Transfers	10,028,355	-	-	964,178	379,602	-	522,956	(11,895,091)	-
Additions	-	-	-	176,514	44,384	69,571	534,029	3,226,696	4,051,194
Write-offs (Note 18)	-	-	-	-	-	-	-	(134,755)	(134,755)
Depreciation charge	(575,528)	(17,745)	-	(543,965)	(167,086)	(113,889)	(317,391)	-	(1,735,604)
Disposals and write-off	-	-	-	-	-	-	-	-	-
- Cost	-	(229,620)	-	(23,993)	-	(305)	-	-	(253,918)
- Accumulated depreciation	-	229,620	-	17,890	-	305	-	-	247,815
Closing net book value	12,659,586	-	-	2,319,232	376,509	405,773	2,439,152	27,913,928	46,114,180

At 31 December 2019

Valuation	3,868,774	-	-	-	-	-	-	-	3,868,774
Cost	10,418,382	1,052,075	18,132	5,683,301	1,526,745	1,080,540	3,110,175	27,913,928	50,809,278
Accumulated depreciation	(1,627,570)	(1,052,075)	(18,132)	(3,364,069)	(1,150,236)	(674,767)	(671,023)	-	(8,557,872)
Net book value	12,659,586	-	-	2,319,232	376,509	405,773	2,439,152	27,913,928	46,114,180

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

NOTES (CONTINUED)

11 PROPERTY AND EQUIPMENT (CONTINUED)

- (i) The Entity's buildings were revalued on 31 March 2019 by independent professional valuers, J&B Property Management Consultants (T) limited. Level 2 fair values for buildings were derived using an open market value basis. The revaluation surplus was credited to the revaluation reserve account. The most significant input into this valuation approach is the market rate per square metre. The three different fair value measurements are:
- Quoted prices (unadjusted) in active markets for identical assets and liabilities (Level 1);
 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3)
- (ii) In 1997, the members of CCBRT set up a Trusteeship – the registered Trustees of Comprehensive Community Based Rehabilitation in Tanzania – to be the legal holder to the land title deed on which the Entity's hospital facilities have been constructed. The Trustees have granted the CCBRT the rights over the use of the land under the registered plot number 1490/1 – Msasani, Dar es Salaam and plot number 145-H-VII – Kaloleni, Moshi for their hospital activities which are charitable in nature.
- (iii) Building revaluation during the year was involved all existing building as of 31 March 2019 except for private clinic which s on the first year of recognition. The table below explain the revaluation of the building.

	PRIVATE CLINIC BUILDING (NOT REVALUED)	OTHER BUILDINGS (REVALUED)
	TZS '000	TZS '000
Net Book Value at 31 March 2019	10,028,415	2,863,355
Revalued Amount 01 April 2019	<u>10,028,415</u>	<u>5,566,768</u>
Revaluation Surplus	<u>-</u>	<u>2,703,413</u>

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

NOTES (CONTINUED)

	<u>2019</u>	<u>2018</u>
	TZS'000	TZS'000
12 INTANGIBLE ASSETS		
At start of year	295,865	392,474
Addition during the year	-	86,625
Amortisation charge	<u>(243,528)</u>	<u>(183,236)</u>
At end of year	<u>52,337</u>	<u>295,863</u>
13 INVENTORIES		
Consumables	811,056	892,960
Medicine	333,960	417,321
Optical Devices and Consumables	531,601	418,943
Handcraft Items	81,431	-
Rehabilitative material	447,458	532,098
Office Stationery and Consumables	<u>55,777</u>	<u>45,145</u>
	<u>2,261,283</u>	<u>2,306,467</u>
14 ACCOUNTS RECEIVABLE		
Trade receivables	1,930,870	1,556,423
Less: provision for impairment losses	<u>(306,917)</u>	<u>(176,892)</u>
Trade receivables – net	1,623,953	1,379,531
Prepayments	1,632,278	274,808
Due from a related party (note 22)	2,770,171	2,459,385
Advances and imprest balances	157,506	217,100
Other receivables	481,839	481,839
Impairment provision for other receivables	<u>(2,985,524)</u>	<u>(2,836,809)</u>
	<u>3,680,223</u>	<u>1,975,854</u>

The carrying amounts of accounts receivable are denominated in the following currencies.

Currency		
Tanzanian Shillings	3,531,508	1,780,847
Euros	-	195,007
United States Dollar	<u>148,715</u>	<u>-</u>
	<u>3,680,223</u>	<u>1,975,854</u>

Movement on the provision for impairment of trade receivables are as follows:

At start of year	176,892	67,345
Charge to profit and loss (Note 7)	536,651	533,954
Write offs	<u>(406,626)</u>	<u>(424,407)</u>
At end of year	<u>306,917</u>	<u>176,892</u>

Movement on the provision for impairment of other receivables are as follows:

At start of year	2,836,809	2,836,809
Charge to profit and loss (Note 7)	<u>148,715</u>	<u>-</u>
At end of year	<u>2,985,524</u>	<u>2,836,809</u>

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

NOTES (CONTINUED)

15 GRANTS RECEIVABLE

Year ended 31 December 2019

	Currency	Opening contract balance	New commitment in currency	Cash received in currency	Transfer to reserve/Exchange rate/Adjustments	Receivables in currency	TZS/Currency	Total Receivables	Current grants receivable	Non-current grants receivable
		A	B	C	D	E=A+B-C+D	F	G=E*F	H	I=G-H
		"000"	"000"	"000"		"000"		TZS '000	TZS '000	TZS '000
DANIDA	DKK	10,000	6,000	10,000	-	6,000	342.75	2,056,502	2,056,502	-
DANIDA	DKK	1,120	661	1,119	-	661	342.75	226,663	56,665	169,998
Vodafone USAID	USD	-	-	169,467	1	169,468	2,288	-	-	-
Amref	TZS	-	714,074	-	19,376	563,983	1	563,983	176,301	387,682
Elma Foundation	USD	1,375	(1,375)	-	-	-	2,288	-	-	-
KfW	EUR	4,125	10,000	5,726	109	8,508	2,560	21,763,895	16,293,126	5,470,768
EHFk	EUR	2,154	-	1,500	-	654	2,560	1,675,253	1,675,253	-
CBM Germany	EUR	246	277,000	523	-	274	2,560	-	-	-
MIC Tanzania Limited	TZS	110,000	-	110,000	1	-	1	-	-	-
CBM 3736	EUR	143	1,049	555	(637)	-	2,560	-	-	-
SDC 2	USD	-	-	-	-	-	2,288	-	-	-
CBM-3735	TZS	178,640	161,233	336,436	(3437)	-	1	-	-	-
LFTW	EUR	430	-	152	(4)	274	2,560	701,904	334,103	367,801
The International Foundations	USD	-	24	24	-	-	2,288	-	-	-
CBM 3833	USD	-	161,233	68	(12)	-	2,288	-	-	-
J & J	TZS	-	60	60	-	-	-	-	-	-
WISE	USD	327	-	182	(5)	140	2,288	320,310	320,310	-
DFATD/GAC	CAD	500	-	-	-	500	1,796	897,891	897,891	-
CBM 3133	TZS	-	-	-	-	-	1	-	-	-
LDS	TZS	-	-	-	-	-	1	-	-	-
CAPDA	USD	-	9	9	-	-	2,288	-	-	-
Subtotal carried forward (page 47)								28,206,401	21,810,151	6,396,249

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

NOTES (CONTINUED)

15 GRANTS RECEIVABLE (CONTINUED)

Year ended 31 December 2019 (continued)

	Opening contract balance	New commitment in currency	Cash received in currency	Transfer to reserve/ Exchange rate/ Adjustments	Receivables in currency	TZS/ Currency	Total Receivables	Current grants receivable	Non-current grants receivable
Currency	A "000"	B "000"	C "000"	D	E= A+B-C+D "000"	F	G=E*F TZS '000	H TZS '000	I=G-H TZS '000
Subtotal brought forward (page 46)							28,206,401	21,810,151	6,396,249
Rehabilitation International	-	100	80	-	20	2,288	45,793	45,793	-
CBM Canada-TZS	-	203	203	-	-	2,288	-	-	-
CBM Canada-TZMO	-	203	203	-	-	2,288	-	-	-
Fistula Foundation	177	348	528	3	-	2,288	-	-	-
Irish Aid	-	800	800	-	-	2,560	-	-	-
SPIDER	-	94	89	-	5	2,560	12,497	12,497	-
Humanitarian Grand challenges	-	187	104	(2)	84	2,288	192,070	192,070	-
Australian High Commission Direct Aid Programme (DAP)	-	45	43	-	-	2,288	-	-	-
Equinor Tanzania	-	115,000	115,000	-	-	1	-	-	-
Kupona Foundation	38	93	137	(7)	-	2,288	-	-	-
Vodafone Foundation	350	-	350	-	-	2,288	-	-	-
Grand Challenges Canada	27	-	19	(8)	-	2,288	-	-	-
McClain Association	-	7	7	-	-	2,288	-	-	-
Porticus	-	180	90	-	90	2,560	230,397	230,397	-
UNICEF	-	20	-	-	20	2,288	45,251	45,251	-
CEFA	57	-	36	-	22	2,560	55,238	55,238	-
VICENZA	-	82,524	40,352	-	42,172	1	42,172	42,172	-
UNFPA	23,054	-	-	(23,053)	23,053	1	-	-	-
Subtotal carried forward (page 48)							28,829,819	22,433,569	6,396,249

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

NOTES (CONTINUED)

15 GRANTS RECEIVABLE (CONTINUED)

Year ended 31 December 2019 (continued)

	Currency	Opening contract balance	A	B	Cash received in currency	Transfer to reserve/ Exchange rate/ Adjustments	Receivables in currency E= A+B-C+D	TZS/ Currency	Total Receivables	Current grants receivable	Non-current grants receivable
			"000"	"000"	"000"	D "000"	E= "000"	F	G=E*F TZS '000	H TZS '000	I=G-H TZS '000
Subtotal brought forward (page 47)											
Wild Ganzen	EUR	0.03	-	-	-	(0.03)	-	2,560	28,829,819	22,433,569	6,396,249
MiracleFeet	USD	51	-	-	20	(24)	6	2,296	14,767	14,767	-
Miracle Feet	USD	-	62	62	34	-	27	2296	62,755	62,756	-
EIDHR (European Union for Democracy & Human Rights)	EUR	-	64	64	28	-	36	2,560	91,830	44,262	47,568
J&J obstetric fistula treatment	USD	-	97	97	97	-	-	2,288	-	-	-
ICRC - Support for Rehabilitation Services	USD	-	36	36	36	-	-	2,288	-	-	-
CCBRT	USD	150	(150)	-	-	-	-	2,288	-	-	-
Rotary	USD	-	60	60	60	-	-	2,288	-	-	-
J&J Mabinti 2018	USD	-	60	60	60	-	-	2,288	-	-	-
Government of Tanzania	TZS	3,536,550	763,244	763,244	-	-	4,299,794	1	4,299,794	-	4,299,794
Total grants receivable									33,298,965	22,555,354	10,743,611

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

NOTES (CONTINUED)

15 GRANTS RECEIVABLE (CONTINUED)

Year ended 31 December 2018

	<u>Currency</u>	<u>Opening contract balance</u> A "000"	<u>New commitment in currency</u> B "000"	<u>Cash received in currency</u> C "000"	<u>Receivables in currency</u> D=A+B-C "000"	<u>TZS/ Currency</u> E	<u>Total Receivables</u> F=D*E TZS '000	<u>Current grants receivable</u> G TZS '000	<u>Non-current grants receivable</u> H=F-G TZS '000
DANIDA	DKK	15,000	-	5,000	10,000	242	2,417,622	2,417,622	-
Vodafone USAID	USD	1,886	-	766	1,120	2,281	2,554,424	2,554,424	-
Elma Foundation	USD	1,375	-	-	1,375	2,281	3,136,692	-	3,136,692
KfW	EUR	4,369	-	244	4,125	2,615	10,787,614	-	10,787,614
EHfK	EUR	2,154	-	-	2,154	2,615	5,633,966	-	5,633,966
CBM Germany	EUR	246	-	-	246	2,615	644,413	644,413	-
MIC Tanzania Limited	TZS	-	220,000	110,000	110,000	1	110,000	110,000	-
CBM 3736	EUR	-	603	460	143	2,615	373,656	373,656	-
SDC 2	USD	190	-	190	-	2,281	-	-	-
CBM-3735	TZS	-	575,523	396,883	178,640	1	178,640	178,640	-
LFTW	EUR	591	(12)	149	430	2,615	1,123,076	1,123,076	-
CBM 3833	USD	-	111	111	-	2,281	-	-	-
J & J	TZS	2,850	-	2,850	-	1	-	-	-
WISE	USD	-	516	189	327	2,281	745,866	745,866	-
DFATD/GAC	CAD	500	-	-	500	1,750	875,172	875,172	-
CBM 3133	TZS	7,600	-	7,600	-	1	-	-	-
LDS	TZS	-	33,261	33,261	-	-	-	-	-
CAPDA	USD	-	12	12	-	-	-	-	-
Subtotal carried forward (page 50)							28,581,141	9,022,869	19,558,272

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

NOTES (CONTINUED)

15 GRANTS RECEIVABLE (CONTINUED)

Year ended 31 December 2018 (continued)

	<u>Currency</u>	<u>Opening contract balance</u> A "000"	<u>New commitment in currency</u> B "000"	<u>Cash received in currency</u> C "000"	<u>Receivables in currency</u> D=A+B-C "000"	<u>TZS/ Currency</u> E	<u>Total Receivables</u> F=D*E TZS '000	<u>Current grants receivable</u> G TZS '000	<u>Non-current grants receivable</u> H=F-G TZS '000
Subtotal brought forward (page 49)									
Fistula Foundation	USD	-	563	386	177	2,281	404,663	404,663	-
Irish Aid	EUR	-	700	700	-	2,615	-	-	-
Kupona Foundation	USD	20	91	73	38	2,281	86,392	86,392	-
Vodafone Foundation	USD	350	-	-	350	2,281	798,431	798,431	-
Grand Challenges Canada	USD	-	80	53	27	2,281	59,682	59,682	-
CEFA	EUR	-	73	16	57	2,615	149,130	149,130	-
VICENZA	EUR	-	14	14	-	2,615	-	-	-
UNFPA	TZS	23,054	-	-	23,054	1	23,054	23,054	-
Wild Ganzen	EUR	-	30	30	-	2,615	65	65	-
MiracleFeet	USD	11	95	55	51	2,281	115,103	115,103	-
Rotary	USD	-	300	150	150	2,281	342,185	342,185	-
J&J	USD	-	157	157	-	2,281	-	-	-
Vodacom Tanzania									
Foundation	TZS	-	150,000	150,000	-	1	-	-	-
Government of Tanzania	TZS	2,748,341	788,209	-	3,787,301	1	3,536,550	-	-
Total grants receivable							34,096,396	11,001,574	23,094,822

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

NOTES (CONTINUED)

16 CASH AND CASH EQUIVALENTS	2019 TZS'000	2018 TZS'000
Cash at bank	12,537,632	7,792,799
Cash in-hand	<u>21,203</u>	<u>46,604</u>
	<u>12,558,835</u>	<u>7,839,403</u>
17 BORROWINGS		
Non-Current		
Bank borrowings	<u>6,274,399</u>	<u>6,842,485</u>
Current		
Bank -Overdraft	757,563	-
Bank borrowings	<u>588,174</u>	<u>-</u>
	<u>1,345,737</u>	<u>-</u>
	<u>7,620,136</u>	<u>6,842,485</u>

(i) Bank borrowings comprise of a secured USD 3 million long-term bank loan taken to finance the construction of the new CCBRT Private Clinic. The loan is secured by a legal mortgage over a portion of landed property described under Certificate of Title No. 47430, Plot No. 1409/1, Msasani Area in Kinondoni Municipality, Dar es Salaam and a mortgage guarantee valued at TZS 4,097 million. The property is in the name of the Registered Trustees of Comprehensive Community-Based Rehabilitation in Tanzania. The Trustees have granted the Entity the right over the use of the land for its charitable activities. As at 31 December 2019, USD 3 million (equivalent to TZS 6,862 million) was drawn down as per agreement. The facility has a term of eight years with floating interest rate of six months LIBOR plus 4.5% with a floor of 5%. The loan is payable in equal instalments over the loan period, after a two-year repayment grace period during which time only interest is paid on a monthly basis. The loan repayment schedule was mutually revised, and the first principal instalment repayment is on 31 July 2020 instead of 31 July 2019.

(ii) The overdraft facility amounted to TZS 800 million was acquired from Azania Bank Limited on May 2019 to finance working capital with 12 Months tenure. The facility was secured against cash balances maintained at Azania Bank Limited amounted to EUR 288,824 and USD 115,544. As of 31 December 2019, TZS, 756 was drawn down. Interest shall be charged at the rates of 14.0% p.a. on the Borrower's outstanding balances to be debited to Borrower's account at the end of each calendar month. The Bank, however, may vary the rate of interest by giving a one month notice to the Borrower and such varied rate shall become effective upon expiry of that one-month notice. In addition to the interest rate of 14.0% p.a a penal interest at 6% p.m. will be charged on entire outstanding balance, if there is any overdue in any of the accounts of the Borrower or there is non-compliance of any of the terms and conditions.

18 CAPITAL GRANTS

	2019 TZS'000	2018 TZS'000
At start of year	36,123,094	34,514,467
Additions	17,220,362	3,173,803
Amortisation charge (note 6)	(1,646,296)	(1,430,421)
Write-off- Capital work in progress (note 11)	<u>-</u>	<u>(134,755)</u>
At end of year	<u>51,697,160</u>	<u>36,123,094</u>

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

NOTES (CONTINUED)

19

DEFERRED INCOME GRANTS

Year ended 31 December 2019

	Currency	Opening commitment in currency	Adjustments	New commitment in currency	Capital expenditure in currency	Operating expenditure in currency	Reserve / (refund) in currency	Deferred income grant in currency	TZS / Currency	Deferred income grants in TZS
		A		B	C	D	E	F=A+B-C	G	H = F*G
		“000”		“000”	“000”	“000”	“000”	“000”		TZS ‘000
Vodafone Foundation-USAID	USD	2,275	-	-	1,189	20	-	1,066	2,288	2,438,345
Elma	USD	1,369	-	(1,369)	-	-	-	-	2,288	-
MIC Tanzania Limited	TZS	109,982	-	-	-	109,979	(3)	-	1	-
Maclain Association	USD	-	-	8	-	7	-	-	2,288	-
KfW	EUR	5,819	9	10,000	4,309	19	-	11,609	2,560	29,718,940
EHFk	EUR	2,279	-	-	999.96	-	-	1,279	2,560	3,274,148
CBM Germany	EUR	444	(15)	277	233	146	-	327	2,560	837,814
Vodafone Foundation	USD	295	-	-	-	199	-	96	2,288	219,240
Fistula Foundation ¹⁹	USD	180	(180)	348	-	252	-	96	2,288	219,190
Dorothea Haus Ross Foundation	USD	19	-	-	-	19	-	-	2,288	-
CBM Switzerland	USD	40	-	-	-	-	-	40	2,288	90,680
CBM P.3735	TZS	3,795	-	161,233	1,151	163,892	15	-	1	-
Vodacom Tanzania Foundation	TZS	81,479	-	-	-	81,479	-	-	1	-
DANIDA	DKK	14,707	-	6,000	-	14,707	-	6,000	343	2,056,502
DANIDA FC	DKK	-	-	661	-	-	-	661	343	226,663
LaVelle Phase 2	USD	30	-	(17)	-	12	(1)	-	2,288	-
ICRC - Support for Rehabilitation Services	USD	-	-	36	-	1	-	35	2,288	80,397
CCBRT	USD	-	-	-	-	-	-	-	-	-
Subtotal carried forward (page 53)										39,161,919

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

NOTES (CONTINUED)

19 DEFERRED INCOME GRANTS (CONTINUED)

Year ended 31 December 2019 (continued)

	Currency	Opening commitment in currency	Adjustments	New commitment in currency	Capital expenditure in currency	Operating expenditure in currency	Reserve/ (refund) in currency	Deferred income grant in currency F=A+B-C-D +/- E	TZS/ Currency	Deferred income grants in TZS H = F*G TZS '000
		A "000"		B "000"	C "000"	D "000"	E "000"		G	
Subtotal brought forward (page 52)										
VICENZA	TZS	-	-	82,524	-	36,896	-	45,628	1	45,628
J&J Mabinti 2018	USD	6	-	60	-	60	-	6	2,288	14,015
J&J obstetric fistula treatment	USD	68	-	97	-	97	-	67	2,288	153,602
DFITD(GAC)	CAD	784	-	-	67.14	106	-	611	1,751	1,069,647
CAPDA	USD	-	-	9	1.09	-	-	8	2,288	18,373
CBM 3736	EUR	153	(55)	1,049	84	436	(627)	-	2,560	-
Irish Aid	EUR	-	-	800	-	797	(3)	-	2,560	-
LftW - B DGD	EUR	424	-	-	-	134	(217)	287	2,560	735,579
Wheelchair Support	TZS	7,589	-	-	5,000	2,372	-	-	1	-
Miracle Feet	USD	-	-	62	-	22	-	40	2,288	90,728
Miracle Feet	USD	66	-	-	-	26	-	39	2,288	34,504
Subtotal carried forward (page 54)										41,323,995

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

NOTES (CONTINUED)

19 DEFERRED INCOME GRANTS (CONTINUED)

Year ended 31 December 2019 (continued)

	Currency	Opening commitment in currency	Adjustments	New commitment in currency	Capital expenditure in currency	Operating expenditure in currency	Reserve / (refund) in currency	Deferred income grant in currency F=A+B-C-D +/- E	TZS/ Currency y	Deferred income grants in TZS H = F*G TZS '000
		A	B	C	D	E	G			
		"000"	"000"	"000"	"000"	"000"	"000"			
Subtotal brought forward (page 53)										
Amref	TZS	-	714,074	-	-	-	-	608,050	1	41,323,995
Wise	USD	436	-	-	125,401	-	-	205	2,288	608,050
Grand Challenges Canada	USD	41	-	-	226	-	-	-	2,288	469,979
192 - CBM 3833	USD	6	80	-	34	(7)	-	-	2,288	-
CBM Canada TZS	USD	-	203	-	67	(19)	-	-	2,288	-
CBM Canada TZMO	USD	-	203	-	196	(7)	-	-	2,288	-
Spider	EUR	-	94	-	199	(3)	-	-	2,288	-
Australian High commission	USD	-	45	-	71	(2)	-	-	2,560	-
UNICEF	USD	-	20	-	-	(2)	-	43	2,288	98,351
The International Foundation	USD	-	-	-	-	-	-	20	2,288	45,251
The Charitable Foundation (TCF)	USD	197	24	-	17	-	-	6	2,288	13,978
Rehabilitation International	USD	-	-	37.08	8	-	-	152	2,288	347,596
Kupona Foundation	USD	-	100	7	71	-	-	22	2,288	50,101
Kupona Family Planning	USD	-	91	-	90	-	-	-	2,288	-
Laerdal Foundation	USD	-	2	-	3	-	-	-	2,288	-
Laerdal Foundation	USD	50	-	-	27	-	-	23	2,288	51,547
Equinor Tanzania	TZS	26	-	-	26	-	-	-	2,288	-
		-	115,000	-	77,954	-	-	37,046	1	37,046
Subtotal carried forward (page 55)										43,045,894

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

NOTES (CONTINUED)

19 DEFERRED INCOME GRANTS (CONTINUED)

Year ended 31 December 2019 (continued)

	<u>Currency</u>	<u>Opening commitment in currency</u>	<u>Adjust ments</u>	<u>New commitment in currency</u>	<u>Capital expenditure in currency</u>	<u>Operating expenditure in currency</u>	<u>Reserve / (refund) in currency</u>	<u>Deferred income grant in currency</u>	<u>Deferred income grants in TZS</u>
		<u>A</u>		<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F=A+B-C- D +/- E</u>	<u>G</u>
		<u>"000"</u>		<u>"000"</u>	<u>"000"</u>	<u>"000"</u>	<u>"000"</u>	<u>"000"</u>	<u>TZS '000</u>
Subtotal brought forward (page 54) CEFA									H = F*G
Humanitarian Grand Challenges	EUR	58	-	-	-	40	-	18	45,737
Porticus - Changing Lives, Changing Communities	USD	-	-	187	-	99	-	88	202,079
Wilde Ganzen Foundation	EUR	-	-	180	1	89	-	90	230,402
EIDHR (European Union for Democracy & Human Rights)	EUR	30	-	-	-	-	(0.03)	29	75,530
FF - Salary Support 2016	EUR	-	-	64	-	14	-	49	126,676
Rotary Fund	USD	180	180	-	-	180	-	-	-
Government of Tanzania	USD	134	(134)	-	-	-	-	-	-
	TZS	-	-	763,244	-	763,244	-	-	1
Grand Total									

43,726,318

Current

37,282,501

Non-Current

6,443,817

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

NOTES (CONTINUED)

19 DEFERRED INCOME GRANTS
Year ended 31 December 2018

	<u>Currency</u>	<u>Opening commitment in currency</u>	<u>New commitment in currency</u>	<u>Capital expenditure in currency</u>	<u>Operating expenditure in currency</u>	<u>Reserve / (refund) in currency</u>	<u>Deferred income grant in currency</u>	<u>TZS/ Currency</u>	<u>Deferred income grants in TZS</u>
	A	B	C	D	E	F=A+B-C- D +/- E	G	H = F*G	
	"000"	"000"	"000"	"000"	"000"	"000"	"000"	TZS '000	
Vodafone Foundation- USAID	USD	2,304	-	-	29	-	2,275	2,281	5,188,756
Elma	USD	1,369	-	-	-	-	1,369	2,281	3,122,422
MIC Tanzania Limited	TZS	-	220,000	-	110,018	-	109,982	1	109,982
KfW	EUR	6,151	-	314	18	-	5,819	2,615	15,217,117
EHfK	EUR	2,279	-	-	-	-	2,279	2,615	5,959,896
CBM Germany	EUR	477	-	26	7	-	444	2,615	1,160,372
Vodafone Foundation	USD	500	-	-	205	-	295	2,281	671,894
J&J Mabinti (2018)	USD	31	-	-	31	-	180	2,281	-
Fistula Foundation19	USD	-	180	-	-	-	-	2,281	410,622
Dorothea Haus Ross Foundation	USD	-	39	-	20	-	19	2,281	43,758
CBM Switzerland	USD	40	-	-	-	-	40	2,281	90,415
CEM P-3735	TZS	-	575,523	-	571,728	-	3,795	1	3,795
Vodacom Tanzania Foundation	TZS	-	150,000	-	68,521	-	81,479	1	81,479
DANIDA	DKK	24,708	-	-	10,001	-	14,707	350	5,149,838
LaVelle Phase 2	USD	73	-	-	43	-	30	2,281	68,895
FK 2013-2014	EUR	3	-	-	-	(3)	-	2,615	-
ICRC - Support for Rehabilitation Services	USD	5	6	-	10	(1)	-	2,281	-
CCBRT	USD								
Subtotal carried forward (page 57)									37,279,241

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

NOTES (CONTINUED)

19 DEFERRED INCOME GRANTS (CONTINUED)

Year ended 31 December 2018 (continued)

	Currency	Opening commitment in currency	New commitment in currency	Capital expenditure in currency	Operating expenditure in currency	Reserve / (refund) in currency	Deferred income grant in currency	Deferred income grants in TZS
	A	B	C	D	E	F=A+B-C-D +/- E	G	H = F*G
	"000"	"000"	"000"	"000"	"000"	"000"		TZS '000
Subtotal brought forward (page 56)								
VICENZA	TZS	3,332	34,468	-	37,251	(549)	-	37,279,241
J&J Mabinti 2019	USD	-	78	-	-	-	6	13,346
J&J obstetric fistula treatment	USD	-	79	-	11	-	68	154,024
DFITD(GAC)	CAD	2,750	-	237	1,729	-	784	1,314,965
CAPDA WRA	USD	-	5	-	5	-	-	-
CAPDA	USD	-	8	-	8	-	-	-
CBM 3536	EUR	306	603	232	524	-	153	399,803
Irish Aid	EUR	-	700	-	700	-	-	-
LftW - B DGD	EUR	595	-	-	171	-	424	1,109,593
235.1-LFTW DGD	EUR	12	(12)	-	-	-	-	-
WATSI	USD	4	(4)	-	-	-	-	-
Porticus - Changing Lives, Changing Communities	EUR	152	-	-	152	-	-	-
500 Miles	USD	-	-	-	-	-	-	-
Wheelchair Support	TZS	29,340	202,008	-	223,759	-	7,589	7,589
MiracleFeet	USD	28	95	2	55	-	66	150,227
Subtotal carried forward (page 58)								
								40,428,788

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

NOTES (CONTINUED)

19 DEFERRED INCOME GRANTS (CONTINUED)

Year ended 31 December 2018 (continued)

	Currency	Opening commitment in currency	A "000"	New commitment in currency	B "000"	Capital expenditure in currency	C "000"	Operating expenditure in currency	D "000"	Reserve / (refund) in currency	E "000"	Deferred income grant in currency	F=A+B-C- D +/- E "000"	TZS/ Currency	G	Deferred income grants in TZS	H = F*G TZS '000		
Subtotal brought forward (page 57)																			
Wise	USD	-	-	516	-	-	-	80	-	-	-	436	2,281	-	40,428,788	-	-		
Grand Challenges Canada	USD	-	-	80	-	-	-	39	-	-	-	41	2,281	-	995,129	-	-		
192 - CBM 3833	USD	-	-	111	-	-	-	105	-	-	-	6	2,281	-	92,552	-	-		
The Charitable Foundation (TCF)	USD	-	-	500	-	265	-	38	-	-	-	197	2,281	-	449,080	-	-		
Laerdal Foundation	USD	-	-	50	-	-	-	-	-	-	-	50	2,281	-	114,062	-	-		
Laerdal Foundation	USD	-	-	50	-	-	-	24	-	-	-	26	2,281	-	59,426	-	-		
Bona Officia	EUR	-	-	10	-	-	-	10	-	-	-	-	2,615	-	-	-	-		
CEFA	EUR	-	9	73	-	-	-	24	-	-	-	58	2,615	-	150,573	-	-		
Wilde Ganzen Foundation	EUR	-	-	30	-	-	-	-	-	-	-	30	2,615	-	77,222	-	-		
Amref Health Africa UK	TZS	-	-	10,794	-	-	-	10,794	-	-	-	-	1	-	-	-	-		
J&J Fistula (2018)	USD	35	-	-	-	9	-	26	-	-	-	-	2,281	-	-	-	-		
Rotary Fund	USD	-	-	300	-	166	-	-	-	-	-	134	2,281	-	305,177	-	-		
LDS Vision	USD	-	-	90	-	90	-	-	-	-	-	-	2,281	-	-	-	-		
CCBRT Donation	TZS	5,993	-	28,980	-	-	-	34,973	-	-	-	-	1	-	-	-	-		
Government of Tanzania	TZS	-	-	788,209	-	-	-	788,209	-	-	-	-	1	-	-	-	-		
Grand Total																			
Current																			42,685,236
Non-Current																			19,130,901
																			23,554,335

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

NOTES (CONTINUED)

20	ACCOUNTS PAYABLE	2019	2018
		TZS'000	TZS'000
	Trade payables		
	Staff related liabilities	3,501,340	2,997,167
	Accruals	621,018	708,166
	Mabinti Shop	630,595	270,877
	Statutory liabilities	81,431	
	Advance payments-costs sharing from patients	45,284	15,778
	Due to related parties (Note 22)	234,226	233,384
		<u>174,431</u>	<u>-</u>
		<u>5,288,325</u>	<u>4,225,372</u>
21	CAPITAL COMMITMENTS		
	The capital commitment relates to the construction of Maternity and New-born Hospital.		
	Capital expenditure committed not contracted for	<u>33,830,902</u>	<u>25,459,806</u>

22 RELATED PARTY TRANSACTION AND BALANCES

Related party relationships exist between CCBRT its fundraising partners and other Organisations under common directorship. Transactions with related parties are as follows:

	2019	2018
	TZS'000	TZS'000
(a) Funds received during the year		
Fundraising partner (Kupona Foundation)	<u>1,978,053</u>	<u>1,481,397</u>
(b) Purchase of services		
Advance on operating costs-Fundraising partner (Kupona Foundation)	148,801	-
Right over land use (CCBRT Trustee)	<u>6,732</u>	<u>585</u>
(c) Due from a related party (Note 14)		
Fundraising partner (Kupona Foundation)	<u>2,770,171</u>	<u>2,459,385</u>
(d) Due to related parties (Note 20)		
CCBRT Trustees	12,446	-
Kupona Foundation	<u>161,985</u>	<u>-</u>
(e) Key management remuneration	<u>174,431</u>	<u>-</u>

Key management personnel are described as those persons having authority and responsibility for planning, directing and controlling the activities of the Entity, directly or indirectly, including any director of the Entity. Key management personnel compensation paid by the Entity are as follows:

Short term employee benefits

	2019	2018
	TZS'000	TZS'000
Salaries	1,317,020	1,537,708
Other short-term benefits	<u>714,352</u>	<u>1,339,939</u>
	<u>2,031,372</u>	<u>2,877,647</u>

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

NOTES (CONTINUED)

23 PRIOR YEAR ADJUSTMENTS

The restatement relates mainly to the recognition of government grant receivable as per IAS 20 in line with Memorandum of Understanding between the Government of Tanzania and CCBRT dated 24th November 2007. Refer to the summary below

	As previously stated, TZS'000	Restatement TZS'000	As restated TZS'000
As at 31 December 2018			
Effect on statement of financial position			
(Accumulated losses)/Retained earnings	(1,982,141)	3,536,550	1,554,409
Grants receivables-non current	<u>19,558,272</u>	<u>3,536,550</u>	<u>23,094,822</u>
Effect on statement of profit or loss for 2018 FY			
Grants Revenue [Note 5 (a)]	<u>15,504,598</u>	<u>788,209</u>	<u>16,292,807</u>
As at 01 January 2018			
Effect on statement of financial position			
(Accumulated losses)/ Retained earnings	(801,407)	2,748,341	1,946,934
Grants receivables- non current	<u>25,424,986</u>	<u>2,748,341</u>	<u>28,173,327</u>

24 ULTIMATE HOLDING ENTITY

On 22 May 2018, Comprehensive Community Based Rehabilitation in Tanzania (CCBRT) was issued with a Certificate of Compliance with terms and conditions of NGOs under Non-Governmental Organizations Act, 2002. Prior to that, CCBRT was registered under the Societies Ordinance, 1954, CAP 337 R.E 2002. CCBRT is under the stewardship of the Governing Board Members.