

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

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Table of contents	<u>Page</u>
Organisation Information	1
Governing Board Members' Report	2 - 7
Word from the CEO	8
Statement of Governing Board Members' Responsibilities	9
Declaration of the Head of Finance on the Financial Statements	10
Report of the Independent Auditor	11 - 13
Financial Statements:	
Statement of profit or loss and other comprehensive income	14
Statement of financial position	15
Statement of changes in reserves	16
Statement of cash flows	17
Notes	18 - 50

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

ORGANISATION INFORMATION

PRINCIPAL PLACE OF BUSINESS

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

REGISTRATION

Comprehensive Community Based Rehabilitation in Tanzania (CCBRT) is registered as a Society under the Societies Ordinance, 1954, CAP 337 R.E 2002.

BANKERS

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

Bank M (Tanzania) Limited
Money Centre – 8 Ocean Road
PO Box 96
Dar es Salaam
Tanzania

NBC Limited
Moshi Branch
PO Box 3030
Moshi
Tanzania

Barclays (T) Limited
Barclays House
Ohio Street
PO Box 5137
Tanzania

SOLICITORS

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

AUDITORS

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

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The Governing Board Members submit their report together with the audited financial statements for the year ended 31 December 2016, which disclose the state of affairs of Comprehensive Community Based Rehabilitation in Tanzania ("the Society").

1 BACKGROUND AND PRINCIPAL ACTIVITIES

The Comprehensive Community Based Rehabilitation in Tanzania (CCBRT) is a locally registered non-governmental organisation established in 1994. From its inception, as a Community Based Rehabilitation (CBR) programme, CCBRT has grown rapidly and is now the largest provider of disability and rehabilitation services in the country. CCBRT was established to empower people with disabilities and their families, ensure access to medical and rehabilitative treatment and ultimately to improve their quality of life. In an effort to prevent disability CCBRT is engaged in improving maternal and newborn healthcare which is now a key component of CCBRT's work.

CCBRT is currently comprised of a well-established Disability Hospital (DH), a rehabilitation centre in Moshi, an advocacy unit and the Mabinti Centre which supports livelihood of women who were treated for fistula at CCBRT. Medical and clinical departments at CCBRT's DH include ophthalmology, obstetric fistula, physical rehabilitation, and orthopaedics and reconstructive surgery.

In Dar es Salaam, the Society's work includes a Maternal and Newborn Healthcare (MNHC) capacity building programme which, in partnership with the Government's Regional Health Management Team (RHMT), aims at improving technical skills, infrastructure capacity and the referral systems of existing government facilities.

CCBRT is in the process of establishing a specialised Maternity and Newborn Hospital (MH), which will be a referral hospital for high risk cases in the region. CCBRT works in close collaboration and partnership with the Government of Tanzania, and together the DH and MH form the Super Specialist Referral Hospital for the Eastern Zone of Tanzania.

Training and capacity building are central to CCBRT's work and are provided for individuals and organisations in medical and rehabilitation fields as well as for CCBRT staff. CCBRT's advocacy unit operates at all levels in Tanzania and internationally in promoting disability inclusion through research, lobbying, training and advice.

CCBRT aims to reach the most disadvantaged people and has put in place practices accordingly. Services are subsidised or free of charge for certain conditions and for all children under five years of age. A key part of realising sustainable provision of high quality services is the CCBRT's private services. Revenue from these services help subsidise standard services, reducing CCBRT's dependence on external funding and also providing a more reliable income stream.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 BACKGROUND AND PRINCIPAL ACTIVITIES (CONTINUED)

CCBRT's vision is a Tanzania where people have access to quality disability services as well as safe maternal and newborn healthcare.

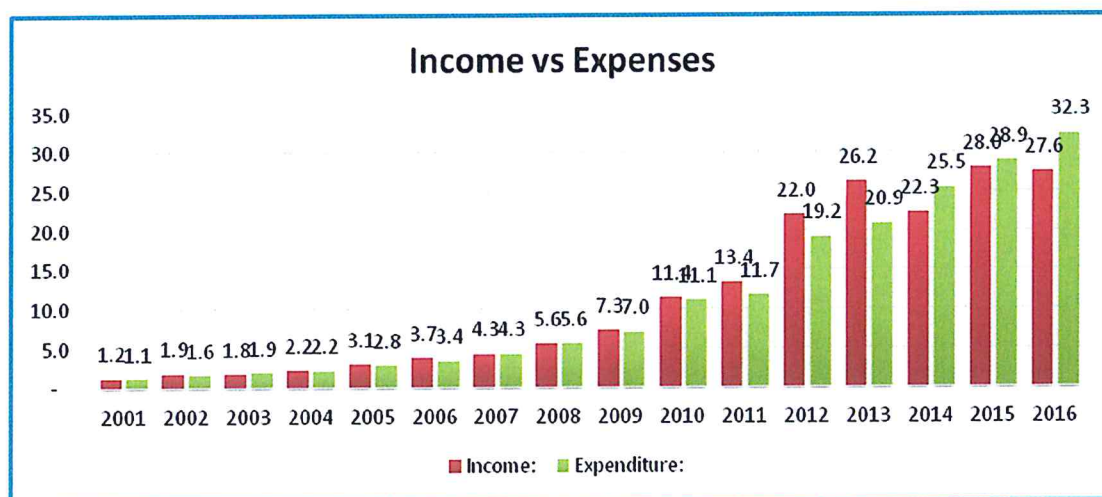
Mission

- a) Prevent disability;
- b) Prevent maternal and neonatal mortality and morbidity;
- c) Provide equitable access to affordable, quality medical and rehabilitative services;
- d) Advocate and facilitate the inclusion of people with disabilities in all aspects of society especially health, education, and employment;
- e) Empower people with disabilities and their families;
- f) Educate the community on the rights of people with disabilities;
- g) Facilitate the inclusion of disability in mainstream services; and
- h) Build capacity in quality managerial, medical and rehabilitative services to sustainably strengthen Tanzania's healthcare system.

Working Principles

- a) Working in and with communities to reach disadvantaged people;
- b) Ensuring long-term impact;
- c) Strengthening capacity through sustainable strategies;
- d) Working in collaboration;
- e) Embracing the Public-Private Partnership with the Government of Tanzania;
- f) Adhering to national and international standards; and
- g) Creating an inclusive organisation.

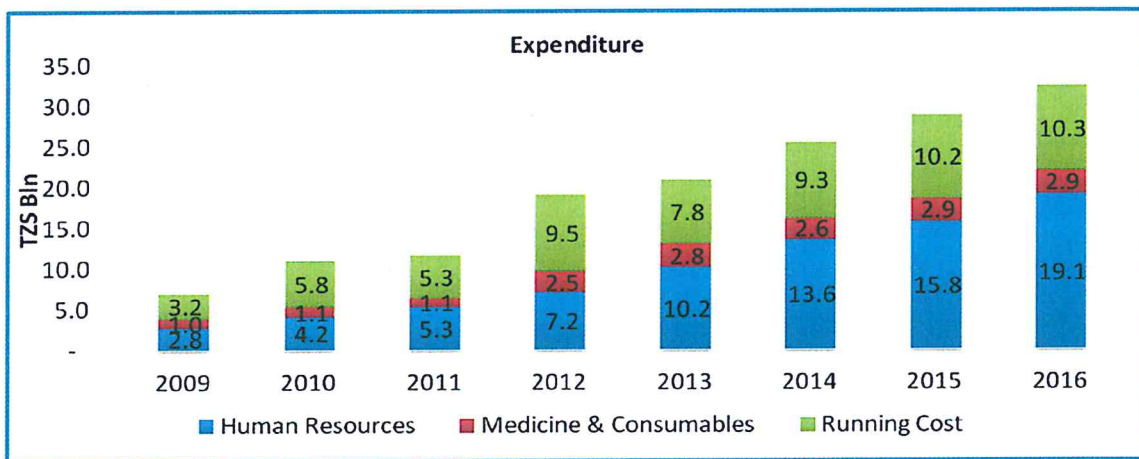
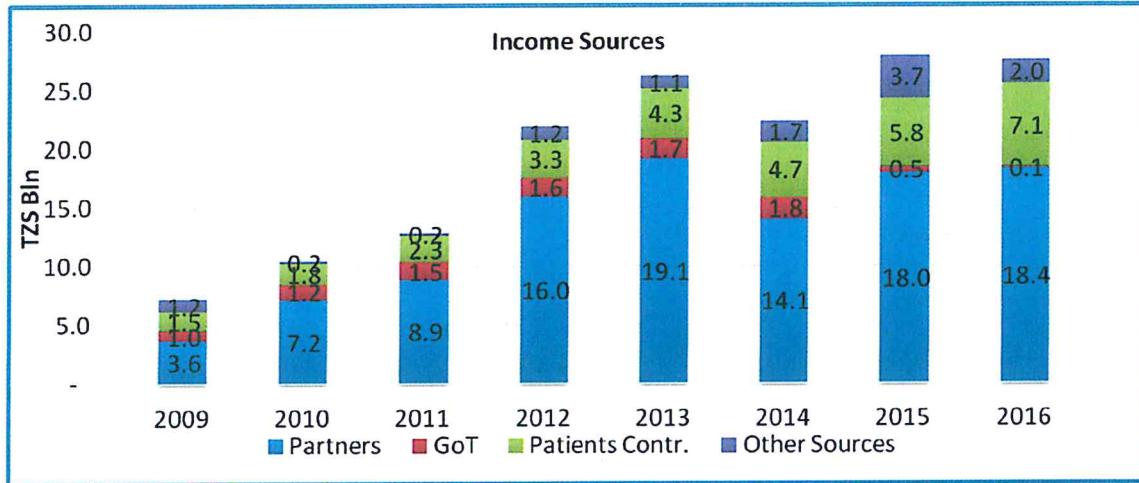
2 FINANCIAL HIGHLIGHTS



COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

**GOVERNING BOARD MEMBERS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

2 FINANCIAL HIGHLIGHTS (CONTINUED)



COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

**GOVERNING BOARD MEMBERS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

3 SERVICE DELIVERY REVIEW

Service Delivery Against 2013-2017 Strategy							
Service Delivery Area	Achievements				Total Target 2013-2017	% Target Reached	
	2013	2014	2015	2016			
Disability Services							
i) Eye Consultations	83,705	98,301	86,765	70,532	460,000	74%	
ii) Eye Surgeries	7,769	7,823	7,896	7,646	35,000	89%	
iii) Orthopaedic Department Consultations (Standard, Private and Ear, Nose and Throat (ENT))	23,826	21,956	20,344	24,605	90,000	101%	
iv) Orthopaedic and Reconstructive Surgeries (including burns)	1,151	936	946	1,379	5,000	88%	
v) Congenital Clubfoot Treatments (new patients)	358	425	599	480	1,500	124%	
vi) Cleft Lip/Palate Surgeries	458	437	400	427	2,500	69%	
vii) Vesicovaginal Fistula (VVF) Surgeries	713	846	920	1,012	4,650	75%	
viii) Assistive Devices Provided (prosthetics and orthotics, special seats, orthopaedic devices, and glasses)	14,000	32,660	31,397	21,494	70,000	142%	
Community Services							
ix) Families Supported through Community Based Rehabilitation (CBR)	3,844	5,992	8,869	5,553	12,000	202%	
x) Children with Disabilities in Schools	910	625	892	685	4,000	78%	
Capacity Building							
xi) People Trained in Disability Inclusion	111	733	1,162	562	1,000	257%	
xii) Maternal Healthcare Professionals Trained	1,500	1,693	990	1,280	4,000	137%	
xiii) Professionals Trained (Medical, Rehabilitation, Management)	400	246	532	1,329	1,500	167%	
Maternal and Newborn Services							
xiv) Antenatal care visits	-	-	-	35,172	137,500	26%	
xv) Deliveries (caesarean sections)							
Normal deliveries	69,969	93,205	67,778	63,649	45,800	643%	
Caesarean sections	8,648	11,980	10,942	11,702	18,500	234%	
xvi) Postnatal care visits	-	-	-	-	91,600	0%	
xvii) Immunisation visits	-	-	-	-	458,000	0%	
xviii) Family planning sessions	-	-	-	576	45,800	1%	
xix) Integrated prevention of mother-to-child transmission of HIV	-	-	-	-	45,800	0%	

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

4 PERFORMANCE RESULTS FOR THE YEAR

The total income (revenue, other income and finance income) decreased by 2% in 2016 with a total of TZS 27.6 billion (2015: TZS 28 billion). The statement of financial position on page 15 shows that during the year total assets decreased by 13% to TZS 94.9 billion (2015: TZS 108.7 billion). The decrease is mainly contributed by a deficit for the year and a decrease in new long-term donor commitment during the year 2016. The net loss for the year of TZS 4,775.8 million (2015: TZS 925.7 million) has been transferred to the retained earning account.

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. Despite the fact that the entity incurred a loss of TZS 4.8 billion and generated a negative cash flow of TZS 5.9 billion from operations for the year then ended, the Governing Board Members have reasonable expectation that CCBRT has adequate resources to continue with its operation at least 12 months from the date of these financial statements.

6 EMPLOYEE WELFARE

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

Employee Welfare is important for the retention and attracting of staff. One important development to this effect in 2016 has been the opening of the new kitchen facility at CCBRT that provides employees with a free daily lunch.

To strengthen Human Resource Management in CCBRT, the ARUTI Human Resource Information System was implemented with two modules being operational at the end of 2016. With additional modules planned for 2017, this system will enhance the internal HR data provision and will assist both managers and employees.

The Society pays contributions to the National Social Security Fund (NSSF), Parastatal Pension Fund (PPF), Local Authority Pension Fund (LAPF), GEPF Retirement Benefit Fund and Public Service Pensions Fund (PSPF), publicly administered pension plans, on a mandatory basis that qualify to be defined contribution plans. The average number of employees during the year was 475 (2015: 471).

7 RESERVES

Retained earnings

The retained earnings is 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. Members do not share any profit and are not entitled to receive any benefits from the Society's resources.

Revaluation reserve

In 2013 the Society's buildings were valued, where the measurement was Level 2. All classes of assets (property and equipment) are carried out at cost model as per Note 9 of the Financial Statements. The revaluation reserve generated is not available for distribution.

8 FUTURE DEVELOPMENT

Private Clinic

The CCBRT Clinic will underpin the Society's sustainability and capacity to provide quality care to the most vulnerable in society for years to come. The new expanded clinic is set to open in late 2017, as the demand for private services at CCBRT continues to increase. The projection made in 2016 estimates that for every two patients treated at the new Clinic, one patient will receive subsidised care at the Disability Hospital.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

**GOVERNING BOARD MEMBERS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

8 FUTURE DEVELOPMENT (CONTINUED)

Maternity and Newborn Hospital

The year 2016 saw further work to prepare the Maternity and Newborn Hospital for opening late in the year 2018. To ensure that the hospital can provide quality care from day one, CCBRT's Training Centre, located within the new hospital will open at the same time. The facility will provide a critical long-term solution to maintaining and building expertise.

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 become capital grant. The Members of the Governing Board do not own any share or have right to the assets of the Society.

10 CORPORATE GOVERNANCE

The Governing Board has seven members and six of them are non-executive directors hence they are not involved in the day-to-day running of the Society. The Governing Board Members' calibres possess sufficient experience to bring independent judgements in decision making about the Society's activities.

The Governing Board meets between two and four times per year. The Board delegated day-to-day management and running of the Society to the Chief Executive Officer who is assisted by the Senior Management Team.

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>
Dr Willibrod P. Slaa	Tanzanian	President
Mr B. K. Tanna	British	Vice President
Mr Erwin Telemans	Belgian	Secretary / CEO
Mr Jonathan A. Sutton	Irish	Treasurer
Mr E. F. Mnyone	Tanzanian	Member
Prof Godfrey Mmari	Tanzanian	Member
Mr Ed Epp	Canadian	Member

12 AUDITORS

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 Society for the year ending 31 December 2017 will be put to the Governing Board Members' Meeting.

BY ORDER OF THE GOVERNING BOARD



Mr Jonathan A. Sutton
Treasurer
(For and on behalf of President)



Mr Erwin Telemans
CEO

14 JULY 2017
Date

14 JULY 2017
Date



COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

**WORD FROM THE CEO
FOR THE YEAR ENDED 31 DECEMBER 2016**

The year 2016 was for laying foundations to ensure CCBRT's future growth and impact, through ongoing construction of the Maternity and Newborn Hospital, the new CCBRT Clinic offering private services, and the evolution of our Disability Hospital.

We are building CCBRT's present and future capacity as a sustainable social enterprise through the transformation of the Eye Out-Patient Department (OPD) based on lean principles, planning for the training centre as a long-term guarantor of clinical skills, operational improvements to quality and safety, and the future roll-out of hospital management information system.

However, simultaneously growing and maintaining our operations as Tanzania's largest disability service provider is impossible without significant up-front investment. We know the need is there, but we can't do it without your support: please help propel us forward into the next chapter of our journey.



**Mr Erwin Telemans
Chief Executive Officer**

Date: 14 July 2017



COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

**STATEMENT OF GOVERNING BOARD MEMBERS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2016**

The Society Ordinance, 1954 Cap. 337. R.E 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 Society 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 Society keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Society. They are also responsible for safeguarding the assets of the Society 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 judgments and estimates in conformity with International Financial Reporting Standard (IFRS) and the requirements of the Societies Ordinance, 1954, Cap 337. R.E. 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 Society and of its loss 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 mis-statements due to fraud or error.

Nothing has come to the attention of the Governing Board Members to indicate that the Society 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:



Mr Jonathan A. Sutton
Treasurer
(For and on behalf of President)



Mr Erwin Telemans
Secretary / CEO

14 July 2017
Date

14 July 2017
Date



COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

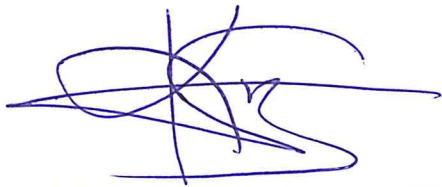
**DECLARATION OF THE HEAD OF FINANCE ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

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 2016 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: 14 JULY 2017



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 "Society") as at 31 December 2016, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Societies Ordinance, 1954, Cap 337. R.E. 2002.

What we have audited

The financial statements of Comprehensive Community Based Rehabilitation in Tanzania are set out on pages 14 to 50 comprise:

- the statement of financial position as at 31 December 2016;
- 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 Society in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the ethical requirements of the National Board of Accountants and Auditors (NBAA) that are relevant to our audit of the financial statements in Tanzania. We have fulfilled our 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 Organisation Information, Governing Board Members' Report, Word from the CEO, Statement of Governing Board Members' Responsibilities and Declaration of the Head of Finance on the financial statements. The Other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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 that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Governing Board Members for the financial statements

The Governing Board Members are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Societies Ordinance, 1954, Cap 337.R.E 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.

Independent auditor's report to the Members of Comprehensive Community Based Rehabilitation in Tanzania (CCBRT) (continued)

Report on the audit of the financial statements (continued)

Responsibilities of the Governing Board Members for the financial statements (continued)

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 Society 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 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 Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Governing Board Members 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.

*Independent auditor's report to the Members of Comprehensive
Community Based Rehabilitation in Tanzania (CCBRT) (continued)*

Report on other legal and regulatory requirements

This report, including the opinion, has been prepared for, and only for, the Society's members as a body in accordance with the Societies Ordinance, 1954, Cap 337.R.E 2002 and for no other purposes.

As required by the Societies Ordinance, 1954, Cap 337.R.E 2002, we are also required to report to you if, in our opinion, the Governing Board Members' Report is not consistent with the financial statements, if the Society has not kept proper accounting records, if the financial statements are not in agreement with the accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Governing Board Members' remuneration and transactions with the Society is not disclosed. In respect of the foregoing requirements, we have no matter to report.



Nelson E. Msuya, FCPA – PP

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

Date: 14 JULY 2017

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<u>Note</u>	<u>2016</u> TZS'000	<u>2015</u> TZS'000
Revenue	5	25,556,782	24,326,255
Other income	6	1,527,875	1,177,610
Operating costs	7	<u>(32,342,639)</u>	<u>(28,960,998)</u>
Operating loss		(5,257,982)	(3,457,133)
Finance income	9	<u>482,098</u>	<u>2,531,348</u>
Loss before income tax		(4,775,884)	(925,785)
Income tax expense	10	<u>-</u>	<u>-</u>
Net Loss for the year		(4,775,884)	(925,785)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive loss for the year		<u>(4,775,884)</u>	<u>(925,785)</u>

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Note	2016 TZ'000	2015 Restated TZS'000
ASSETS			
Non-current assets			
Property and equipment	11	36,772,792	32,403,085
Intangible assets	12	359,351	11,190
Grants receivable	15	24,194,498	24,057,891
		<u>61,326,641</u>	<u>56,472,166</u>
Current assets			
Inventories	13	2,727,255	2,975,234
Accounts receivable	14	2,926,964	1,502,997
Grants receivable	15	15,168,266	28,331,473
Bank and cash balances	16	12,724,915	19,405,323
		<u>33,547,400</u>	<u>52,215,027</u>
TOTAL ASSETS		<u>94,874,041</u>	<u>108,687,193</u>
RESERVES AND LIABILITIES			
RESERVES			
Retained earnings		3,891,790	8,548,815
Revaluation reserve		1,512,723	1,631,582
Total reserve		<u>5,404,513</u>	<u>10,180,397</u>
LIABILITIES			
Non-current liabilities			
Deferred income grants	19	39,157,898	51,593,436
Borrowings	17	2,258,701	-
Capital grants	18	30,954,419	28,472,920
		<u>72,371,018</u>	<u>80,066,356</u>
Current liabilities			
Deferred income grants	19	13,990,367	15,181,954
Accounts payable	20	3,108,143	3,258,486
		<u>17,098,510</u>	<u>18,440,440</u>
TOTAL LIABILITIES		<u>89,469,528</u>	<u>98,506,796</u>
TOTAL RESERVE AND LIABILITIES		<u>94,874,041</u>	<u>108,687,193</u>

The financial statements on pages 14 to 50 were approved by the Governing Board Members on 14 July 2017 and signed on its behalf by:



Mr Jonathan A. Sutton
Treasurer
(For and on behalf of President)



Mr Erwin Telemans
Secretary / CEO



COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

STATEMENT OF CHANGES IN RESERVES

	Retained earnings	Revaluation reserve	Total
	TZS'000	TZS'000	TZS'000
Year ended 31 December 2016			
At start of year	8,548,815	1,631,582	10,180,397
Loss for the year	(4,775,884)	-	(4,775,884)
Release from revaluation reserve	118,859	(118,859)	-
At end of the year	<u>3,891,790</u>	<u>1,512,723</u>	<u>5,404,513</u>
Year ended 31 December 2015			
At start of year	9,346,104	1,903,377	11,249,481
Loss for the year	(925,785)	-	(925,785)
Asset write-off	-	(143,299)	(143,299)
Release from revaluation reserve	128,496	(128,496)	-
At end of the year	<u>8,548,815</u>	<u>1,631,582</u>	<u>10,180,397</u>

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

STATEMENT OF CASH FLOWS

Cash flow from operating activities	Note	2016 TZS '000	2015 TZS '000
Loss for the year		(4,775,884)	(925,785)
<i>Adjustments for non-cash items:</i>			
Amortisation of capital grant	6	(1,186,575)	(1,133,203)
Depreciation	7	1,306,355	1,271,184
Amortisation of intangible asset	7	71,406	2,611
Loss on disposal/write off of assets	7	11,032	113,061
<i>Change in working capital items</i>			
Inventory		247,979	(606,037)
Accounts receivable		(1,423,968)	(507,538)
Accounts payable		(150,344)	1,582,214
Net Cash used in operation		<u>(5,899,999)</u>	<u>(203,493)</u>
Cash flow from investing activities			
Purchase of property, plant and equipment	11	(5,699,593)	(3,486,256)
Purchase of intangible assets	12	(419,567)	(3,890)
Proceeds on disposal of equipment		12,500	21,649
Net cash used in investing activities		<u>(6,106,660)</u>	<u>(3,468,497)</u>
Cash flow from financing activities			
Proceeds from borrowings		2,258,701	-
Grants received		3,067,550	7,481,342
Cash generated from financing activities		<u>5,326,251</u>	<u>7,481,342</u>
(Decrease)/Increase in cash and cash equivalent		<u>(6,680,408)</u>	<u>3,809,352</u>
Movement in cash and cash equivalents			
At start of year		19,405,323	15,595,971
(Decrease)/Increase		<u>(6,680,408)</u>	<u>3,809,352</u>
At end of year	16	<u>12,724,915</u>	<u>19,405,323</u>

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES

1 GOING CONCERN BASIS OF THE FINANCIAL STATEMENTS PREPARATION

The Society incurred a net loss of TZS 4.8 billion and generated negative cash flow from operations of TZS 5.9 billion during the year ended 31 December 2016. The Society is not-for-profit entity and raises its income mainly from the donor funding, from 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 continuity support from strategic partners (donors) based on the Strategic Plan prepared for years 2013 to 2017 and 2018 to 2022. As at 31 December 2016, strategic partners have already committed funding through new agreements that have been signed for beyond the financial year 2016, and these include Danish Ministry of Foreign Affairs (TZS 15 billion), USAID Child Blindness Program (TZS 624 Million), Christian Blind Mission (CBM TZS 4.1 billion), Rotary (TZS 3.3billion), Irish Aid (TZS 1.1billion), Global Affairs Canada (TZS 6.3billion) and Vodafone (TZS 7.8billion).

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 Society'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 2.

(b) Changes in accounting policy and disclosures

(i) *New and amended standards adopted by the Society*

The following standards and amendments have been applied by the Society for the first time for the financial year beginning 1 January 2016:

Amendments to IAS 1, 'Presentation of Financial Statements': the amendments are made in the context of the IASB's Disclosure Initiative, which explores how financial statement disclosures can be improved. The amendments provide clarifications on a number of issues, including:

- Materiality – an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals – line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes – confirmation that the notes do not need to be presented in a particular order.

According to the transitional provisions, the disclosures in IAS 8 regarding the adoption of new standards/accounting policies are not required for these amendments.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Changes in accounting policy and disclosures (continued)

- *Annual Improvements to IFRSs – 2010-2012 Cycle and 2012-2014 Cycle*

The adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future periods.

Other standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2016 are not material to the Society.

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

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2016 reporting periods and have not been adopted early by the Society. The Society's assessment of the impact of these new standards and interpretations is set out below.

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2016. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI, and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. The Society is yet to assess IFRS 9's full impact.

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018. The Society is yet to assess IFRS 15's full impact.

IFRS 16, 'Leases' After ten years of joint drafting by the IASB and FASB they decided that lessees should be required to recognise assets and liabilities arising from all leases (with limited exceptions) on the statement of financial position. Lessor accounting has not substantially changed in the new standard.

The model reflects that, at the start of a lease, the lessee obtains the right to use an asset for a period of time and has an obligation to pay for that right. In response to concerns expressed about the cost and complexity to apply the requirements to large volumes of small assets, the IASB decided not to require a lessee to recognise assets and liabilities for short-term leases (less than 12 months), and leases for which the underlying asset is of low value (such as laptops and office furniture).

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Change in accounting policy and disclosures (continued)

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

A lessee measures lease liabilities at the present value of future lease payments. A lessee measures lease assets, initially at the same amount as lease liabilities, and also includes costs directly related to entering into the lease. Lease assets are amortised in a similar way to other assets such as property, plant and equipment.

This approach will result in a more faithful representation of a lessee's assets and liabilities and, together with enhanced disclosures, will provide greater transparency of a lessee's financial leverage and capital employed.

One of the implications of the new standard is that there will be a change to key financial ratios derived from a lessee's assets and liabilities (for example, leverage and performance ratios). IFRS 16 supersedes IAS 17, 'Leases', IFRIC 4, 'Determining whether an Arrangement contains a Lease', SIC 15, 'Operating Leases – Incentives' and SIC 27, 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. The standard is effective for annual periods beginning 1 January 2019. Early adoption is permitted only if IFRS 15 is adopted at the same time. The Society is yet to assess the IFRS 16's full impact.

Recognition of Deferred Tax Asset for Unrealised Losses-Amendment to IAS 12; Amendments made to IAS 12 in January 2016 clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profit that is used to evaluate the recoverability of those assets.

Disclosure Initiative – Amendments to IAS 7; Effective 1 January 2017, entities will be required to explain changes in their liabilities arising from financing activities. This includes changes arising from cash flows (e.g., drawdown and repayments of borrowings) and on cash changes such as acquisitions, disposals, accretion of interest and unrealised exchange differences.

Changes in financial assets must be included in this disclosure if the cash flows were, or will be included in cash flows from financing activities. This could be the case, for example, for assets that hedge liabilities arising from financing liabilities.

Entities may include changes in other items as part of this disclosure, for example, by providing a net debt reconciliation. However, in this case the changes in other items must be disclosed separately from the changes in liabilities arising from financing activities. The information may be disclosed in tabular format as reconciliation from opening and closing balances, but a specific format is not mandated.

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

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

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 Society'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 Society derives its revenue from the following sources:

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

Revenue is recognised as follows:

- (i) Donations income: Donations are recognised once there is reasonable assurance that the Society will (a) comply with terms of the agreement(s); and b) there is reasonable assurance that the grant shall be received. Donations received in form of consumables 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 Society.
- (iii) Interest income is recognised on a time proportion basis using the effective interest method on an accrual basis.

(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 valuers, 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.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTES (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Property and equipment (continued)

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 Society 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:

Asset class	Rate (%)
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 at cost as 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 2016

NOTES (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial assets

(i) Classification

All financial assets of the Society 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 Society'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 Society 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 Society 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-organisation, and where observable data indicate that there is a measureable 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 2016**

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 receivable comprises prepayments 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 at call with banks, other short-term highly liquid investments with original maturities of three months or less, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(l) Taxation

(i) Current income tax

The Governing Board Members consider the Society to be exempt from income taxes based on the criteria in the Income Tax Regulations which accord this status to organisations 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 2016

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 Society, the recipient, where funds have been transferred in advance and such activities have not yet occurred. 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, 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 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 Society 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 Society in the ordinary course of business from suppliers. The obligations are unsecured and are usually paid within 30 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 Society has a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Society pays fixed contributions into a separate entity. The Society's contributions to the defined contribution schemes are charged in statement of profit or loss in the year in which they relate. The Society has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Society has no further payment obligations once the contributions have been paid.

The Society and all its employees contribute to the NSSF, LAPF, GEPF and PPF which are defined contribution plans.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

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 Society 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 2016

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 Society 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 Society 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 Society makes judgements 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 Society 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 Society assesses its inventory by assessing expiry dates on consumable and medicine stock.

(iii) Estimated useful lives of property and equipment

The Society 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 Society's activities expose it to a variety of financial risks, namely market risk, credit risk and liquidity risk. The Society's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. The Society 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 Society 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 Society has liabilities and assets denominated in foreign currencies. As a result, the Society 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 2016

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 hold foreign currency bank accounts which act as a natural hedge for payment.

As at 31 December 2016, 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 218 million higher/lower mainly as a result of foreign exchange gains/losses on translation of US dollar denominated payables, receivables and cash.

As at 31 December 2016, 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 52 million higher/lower mainly as a result of foreign exchange gains'/losses on translation of Euro denominated payables, receivables and cash.

As at 31 December 2016, if the Tanzanian shilling weakened/strengthened by 5% against the GBP with all other variables held constant, change in loss for the year would have been TZS 4 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 Society's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk which is partially offset by cash held at variable rates. The Company regularly monitors financing options available to ensure optimum interest rates are obtained.

At 31 December 2016, an increase/decrease of 100 basis points would have resulted in a decrease/increase in post-tax loss of TZS 22.5 million (2015: NIL).

Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions as well as credit exposures to customers, including outstanding receivables and committed transactions. Customers are assessed for credit quality by taking into account their financial position, past experience and other factors before being approved as credit customers.

There are no credit limits set by the management for its customers. The management approves all the credit transactions based on the historical information on trading transactions with customers to minimise exposure.

The amount that best represents the Society's maximum exposure to credit risk at 31 December 2016 is made up as follows:

	<u>2016</u> TZS '000	<u>2015</u> TZS '000
Cash at bank (note 16)	12,680,480	19,332,449
Net Trade receivables (note 14)	1,878,201	795,348
Other receivables (excluding prepayments)	101,927	227,972
Grant receivable (note 15)	<u>39,362,764</u>	<u>52,389,364</u>
	<u>54,023,372</u>	<u>72,745,133</u>

No collateral is held for any of the above assets.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES (CONTINUED)

4 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Society 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 Society'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.

	Less than 1 year TZS '000	Between 1 and 5 years TZS '000	Over 5 years TZS '000
At 31 December 2016:			
- trade and other payables (excluding statutory liabilities)	2,352,368	-	-
- interest on borrowings	113,928	363,444	77,274
- bank borrowings	-	1,170,005	1,088,696
	<u>2,466,296</u>	<u>1,533,449</u>	<u>1,165,970</u>
At 31 December 2015:			
- trade and other payables (excluding statutory liabilities)	<u>2,683,352</u>	-	-

Capital risk management

The Society'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 Society 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 Society'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 2016 and 2015 were as follows:

	2016 TZS'000	2015 TZS'000
Total borrowings (Note 17)	2,258,701	-
Less: cash and cash equivalents adjusted for donor funds	<u>(1,263,306)</u>	-
Net debt	995,395	-
Total reserves	<u>5,404,513</u>	-
Total capital	<u>6,399,908</u>	-
Gearing ratio	<u>15%</u>	-

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTES (CONTINUED)

5 REVENUE	2016	2015
	TZS'000	TZS'000
Grants-Donors (note 4(a))	17,648,272	17,060,245
Grants-Government (salary support)	-	524,761
Grants-Other donors (salary support)	-	679,193
Donation in Kind (note 4(b))	767,364	282,012
	<hr/>	<hr/>
Total grants and donations	18,415,636	18,546,211
Cost sharing from patients	7,141,146	5,780,044
	<hr/>	<hr/>
Total	<u>25,556,782</u>	<u>24,326,255</u>
 (a) Grants-Donors		
Global Affairs Canada (GAC)	3,605,310	2,842,501
Christian Blind Mission (CBM)	2,858,215	2,937,120
Vodafone Foundation-USAID	2,764,276	1,795,835
Irish Embassy	2,155,776	1,544,459
Danish International Development Agency (DANIDA)	1,520,073	3,026,100
Canadian International Development Agency (CIDA)	1,445,354	1,437,747
Kupona Foundation	792,115	1,455,377
Human Development Innovation Fund (HDIF)	617,385	467,574
Light for the World (Belgium Directorate General for Development Cooperation) (LftW-DGD)	473,463	402,373
Swiss Agency for Development and Cooperation (SDC)	427,307	164,386
Smile Train	347,128	-
Porticus	153,698	-
Special Fund for Disabled-International Committee of the Red Cross (SFD-ICRC)	130,874	101,071
MIC Tanzania Limited	116,380	108,275
Other organisations and individuals	71,279	346,123
Fredskorpset (FK) Norway	70,994	31,195
USAID Child Eye Blindness Programme	66,089	-
Vicenza	32,556	8,134
International Federation of Spina Bifida and Hydrocephalus	-	50,972
Vodacom	-	102,093
Swiss Philanthropy Foundation through WISE	-	36,169
Bank of Africa T Ltd	-	202,741
	<hr/>	<hr/>
	<u>17,648,272</u>	<u>17,060,245</u>
 (b) Donation in kind		
Other Donors-Medicines and other consumable materials	705,331	187,534
Government-Medicines and other consumable materials	62,033	94,478
	<hr/>	<hr/>
	<u>767,364</u>	<u>282,012</u>

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES (CONTINUED)

	<u>2016</u> TZS'000	<u>2015</u> TZS'000
6 OTHER INCOME		
Amortisation of capital grant (Note 18)	1,186,575	1,133,203
Other programme income	<u>341,300</u>	<u>44,407</u>
	<u>1,527,875</u>	<u>1,177,610</u>
7 OPERATING COSTS		
Employee benefit expenses (Note 8)	19,105,543	15,948,768
Cost of consumables	2,923,011	2,858,947
Patients' subsidies and Individual aid	1,192,422	836,796
Clearing and forwarding costs	66,455	45,741
Depreciation expenses (Note 11)	1,306,355	1,271,184
Amortisation expense (Note 12)	71,406	2,611
Training	741,724	599,893
Consultancy	1,529,760	2,603,154
Rent, premises and utility costs	636,889	611,114
Repairs and maintenance	1,129,352	932,162
Security charges	384,850	298,143
Audit fee – current year	264,829	253,464
– prior period	77,166	55,205
Legal fee	165,300	191,709
Communication and advertisement	433,019	470,325
General and Administration expenses	857,442	870,273
Transport and motor vehicles expenses	651,478	619,114
Bad debts provision	740,107	332,328
Bank charges	54,499	47,006
Loss on disposal/ assets write-off	<u>11,032</u>	<u>113,061</u>
	<u>32,342,639</u>	<u>28,960,998</u>
8 EMPLOYEES BENEFIT EXPENSES		
Salaries and wages	14,772,493	13,612,534
Social security funds	2,871,031	1,435,808
Other staff benefits	<u>1,462,019</u>	<u>900,426</u>
	<u>19,105,543</u>	<u>15,948,768</u>
9 FINANCE INCOME		
Interest income on call deposits	119,104	318,083
Foreign currency exchange gains	<u>362,994</u>	<u>2,213,265</u>
	<u>482,098</u>	<u>2,531,348</u>

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTES (CONTINUED)

10 INCOME TAX

	2016 TZS'000	2015 TZS'000
Current tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>

(a) Reconciliation of rate of tax

Loss before tax	<u>(4,775,884)</u>	<u>(925,785)</u>
Current tax on loss before tax at the statutory tax rate	(1,432,765)	(277,735)
Adjusted for:		
- Deductible expenditure not charged to P&L (i.e. 25% of charitable income)	(1,950,352)	(1,851,656)
- Profit on sale of non-qualifying assets	(1,132)	(3,717)
- Assets written through revaluation reserves	-	(42,989)
- Over provision in prior period of unrecognised deferred tax asset	81,539	-
- Unrecognised deferred tax assets	<u>3,302,710</u>	<u>2,176,097</u>
Income tax expenses/(credit)	<u>-</u>	<u>-</u>

There is no tax charge arising for the year as the Society made a tax loss during the year and it has estimated income tax losses of TZS 25.9 billion (2015: TZS 17.5 billion). For charitable organisations, the Income Tax Act 2004 allows additional deduction which is equal to 25% of the Society's income for the year in addition to normal expenses which are allowable for tax purposes. This incentive therefore continues to position the Society in tax losses for the foreseeable future.

(b) Components of potential deferred tax assets

	2016 TZS '000	2015 TZS '000
Deferred tax liabilities	(179,860)	(188,509)
Property and equipment	(179,860)	(188,509)
Deferred tax assets	8,544,330	5,250,269
Estimated income tax losses	7,764,796	5,247,849
General provisions	779,534	2,420
Net potential deferred assets	<u>8,364,470</u>	<u>5,061,760</u>

As at 31 December 2016 there is a potential deferred income tax assets of TZS 8,364 million (2015: TZS 5,062 million) arising mainly on account of the estimated accumulative tax loss. This asset has not been recognised, as the Society has a charitable organisation status issued by Tanzania Revenue Authority and consequently it is certain that the Society 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 2016

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 2016									
Opening net book value	3,701,442	257,655	1,774	2,216,171	233,864	602,695	478,368	24,911,116	32,403,085
Transfer	-	-	-	126,156	-	57,464	-	(183,620)	-
Additions	186,716	-	-	183,764	187,807	26,321	586,766	4,528,219	5,699,593
Disposals and write-offs									
Cost	-	(32,524)	-	(364,369)	(13,878)	(1,973)	(74)	-	(412,818)
Accumulated depreciation	-	32,524	-	341,510	13,878	1,301	74	-	389,287
Depreciation charge	(278,505)	(187,750)	(1,774)	(448,210)	(176,542)	(117,848)	(95,726)	-	(1,306,355)
Closing net book value	3,609,653	69,905	-	2,055,022	245,129	567,960	969,408	29,255,715	36,772,792
At 31 December 2016									
Valuation	3,955,055	-	-	-	-	-	-	-	3,955,055
Cost	464,026	1,314,219	18,132	4,888,726	1,107,346	1,048,711	1,108,000	29,255,715	39,204,875
Accumulated depreciation	(809,428)	(1,244,314)	(18,132)	(2,833,704)	(862,217)	(480,751)	(138,592)	-	(6,387,138)
Net book value	3,609,653	69,905	-	2,055,022	245,129	567,960	969,408	29,255,715	36,772,792

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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 2015									
Opening net book value	4,216,388	502,258	3,709	2,426,735	215,023	642,236	9,386	22,450,287	30,466,022
Transfer	-	-	-	-	-	7,306	182,002	(189,308)	-
Additions	8,422	-	-	278,060	159,458	81,582	308,597	2,650,137	3,486,256
Disposals and write-offs									
Cost	(266,840)	(224,729)	-	(55,718)	(21,296)	(32,390)	-	-	(600,973)
Accumulated depreciation	32,968	224,729	-	33,794	21,296	10,177	-	-	322,964
Depreciation charge	(289,496)	(244,603)	(1,935)	(466,700)	(140,617)	(106,216)	(21,617)	-	(1,271,184)
Closing net book value	<u>3,701,442</u>	<u>257,655</u>	<u>1,774</u>	<u>2,216,171</u>	<u>233,864</u>	<u>602,695</u>	<u>478,368</u>	<u>24,911,116</u>	<u>32,403,085</u>

At 31 December 2015

Valuation	3,955,055	-	-	-	-	-	-	-	3,955,055
Cost	277,310	1,314,219	18,132	4,601,665	919,539	965,598	521,234	24,911,116	33,528,813
Accumulated depreciation	(530,923)	(1,056,564)	(16,358)	(2,385,494)	(685,675)	(362,903)	(42,866)	-	(5,080,783)
Net book value	<u>3,701,442</u>	<u>257,655</u>	<u>1,774</u>	<u>2,216,171</u>	<u>233,864</u>	<u>602,695</u>	<u>478,368</u>	<u>24,911,116</u>	<u>32,403,085</u>

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTES (CONTINUED)

11 PROPERTY AND EQUIPMENT (CONTINUED)

- (i) The Society's buildings were revalued on 31 December 2013 by independent professional valuers, Proper Consult (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 Society's hospital facilities have been constructed. The Trustees have granted the Society 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 its charitable activities.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTES (CONTINUED)

	<u>2016</u>	<u>2015</u>
	TZS'000	TZS'000
12 INTANGIBLE ASSETS		
At start of year	11,190	9,911
Addition during the year	419,567	3,890
Amortisation charge	<u>(71,406)</u>	<u>(2,611)</u>
At end of year	<u>359,351</u>	<u>11,190</u>
13 INVENTORIES		
Consumables	<u>2,727,255</u>	<u>2,975,234</u>
14 ACCOUNTS RECEIVABLE		
Trade receivables	2,114,335	835,374
Less: provision for impairment losses	<u>(236,134)</u>	<u>(40,026)</u>
Trade receivables – net	1,878,201	795,348
Prepayments	946,837	479,677
Due from a related party (note 22)	2,319,015	1,775,015
Advances and imprest balances	45,549	33,950
Other receivables	462,669	600,315
Impairment provision for other receivables	<u>(2,725,307)</u>	<u>(2,181,308)</u>
	<u>2,926,964</u>	<u>1,502,997</u>

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

	<u>2016</u>	<u>2015</u>
	TZS'000	TZS'000
<u>Currency</u>		
Tanzanian Shillings	1,397,012	1,349,450
Euros	45,535	-
United States Dollar	<u>1,484,417</u>	<u>153,547</u>
	<u>2,926,964</u>	<u>1,502,997</u>

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

At start of year	40,026	138,604
Charge to profit and loss (Note 7)	196,108	37,831
Write offs	<u>-</u>	<u>(136,409)</u>
At end of year	<u>236,134</u>	<u>40,026</u>

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

At start of year	2,181,308	1,847,309
Charge to profit and loss (Note7)	543,999	294,497
Recoveries of impaired receivables	<u>-</u>	<u>39,502</u>
At end of year	<u>2,725,307</u>	<u>2,181,308</u>

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES (CONTINUED)

15 GRANTS RECEIVABLE

Year ended 31 December 2016

	Currency	Opening contract balance	New commitment in currency	Cash received in currency	Receivables in currency	TZS/ Currency	Receivables in TZS	Current grants receivable	Non-current grants receivable
		A	B	C	D=A+B-C	E	F=D*E	G	H=F-G
		“000”	“000”	“000”	“000”		TZS’001	TZS’000	TZS’000
Canadian International	CAD	1,000	-	1,000	-	1,603	-	-	-
Development Agency (CIDA)	DKK	40,039	-	10,000	30,039	305	9,162,017	1,308,860	7,853,157
DANIDA	USD	4,369	-	2,475	1,894	2,173	4,115,162	4,115,162	-
Vodafone Foundation-USAID	USD	1,375	-	-	1,375	2,173	2,987,875	-	2,987,875
Elma	EUR	5,415	-	580	4,835	2,270	10,975,450	4,391,066	6,584,384
KfW	EUR	2,154	-	-	2,154	2,270	4,889,580	-	4,889,580
EHFk	EUR	247	-	-	247	2,270	560,690	-	560,690
CBM Germany	USD	100	-	50	50	2,173	108,650	108,650	-
MIC Tanzania Limited	GBP	223	-	139	84	2,660	223,440	223,440	-
HDIF/DFID	USD	35	-	35	-	-	-	-	-
ICRC	USD	190	-	-	190	2,173	412,870	412,870	-
SDC 2	CAD	3,180	-	-	3,180	1,603	5,097,540	4,076,530	1,021,010
Global Affairs Canada (GAC)	USD	-	27	10	17	2,173	36,941	36,941	-
NIA Technologies	TZS	23,054	-	-	23,054	1	23,054	23,054	-
UNFPA (2016)	USD	23	-	23	-	-	-	-	-
Fistula Foundation	TZS	-	696,523	671,430	25,093	1	25,093	25,093	-
CBM 3133									
Subtotal carried forward (page 38)							38,618,362	14,721,666	23,896,696

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRIT)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES (CONTINUED)

15 GRANTS RECEIVABLE (CONTINUED)

Year ended 31 December 2016

	Currency	Opening contract balance A "000"	New commitment in currency B "000"	Cash received in currency C "000"	Receivables in currency D=A+B-C "000"	TZS/ Currency E	Receivables in TZS F=D*E TZS'001	Current grants receivable G TZS'000	Non-current grants receivable H=F-G TZS'000
Subtotal brought forward (page 37)									
CBM 1941	EUR	209	-	209	-	-	38,618,362	14,721,666	23,896,696
Direct relief	USD	6	-	6	-	-	-	-	-
CBM –Aus-TCF	USD	21	-	21	-	-	-	-	-
Government of Tanzania	TZS	34,494	-	34,494	-	-	-	-	-
SIB	USD	70	45	70	45	2,173	97,785	97,785	-
USAID	USD	-	304	30	274	2,173	595,202	297,400	297,802
VICENZA	TZS	74,187	-	36,101	38,086	1	38,086	38,086	-
LFTW-DGD	EUR	-	3	-	3	2,270	6,810	6,810	-
FIGO	USD	-	3	-	3	2,173	6,519	6,519	-
Total grants receivable							39,362,764	15,168,266	24,194,498

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES (CONTINUED)

15 GRANTS RECEIVABLE (CONTINUED)

Year ended 31 December 2015

	Currency	Opening contract balance A "000"	New commitment in currency B "000"	Cash received in currency C "000"	Receivables in currency D=A+B-C "000"	TZS/ Currency E	Receivables in TZS F=D*E TZS'001	Current grants receivable G TZS'000	Non-current grants receivable H=F-G TZS'000
Canadian International Development Agency (CIDA)	CAD	2,000	-	1,000	1,000	1,547	1,547,000	1,547,000	-
Vodafone Foundation-USAID	USD	6,805	45	2,393	4,367	2,149	9,384,331	5,137,702	4,246,629
Elma	USD	1,375	-	-	1,375	2,149	2,954,239	2,954,239	-
KfW	EUR	5,474	-	60	5,414	2,348	12,712,659	6,356,329	6,356,330
EHfK	EUR	700	1,654	200	2,154	2,348	5,057,592	1,173,791	3,883,801
CBM Germany	EUR	246	-	-	246	2,348	578,493	578,493	-
MIC Tanzania Limited	USD	-	150	50	100	2,149	214,900	107,426	107,474
ICRC	USD	80	-	45	35	2,149	75,215	75,215	-
HDIF/DFID	GBP	434	-	211	223	3,179	708,917	708,917	-
SDC 2	USD	590	-	400	190	2,149	408,310	408,310	-
Global Affairs Canada (GAC)	CAD	6,611	-	3,431	3,180	1,547	4,919,460	4,919,460	-
Fistula Foundation	USD	38	110	125	23	2,149	49,161	49,161	-
UNFPA (2016)	TZS	23,054	-	-	23,054	1	23,054	23,054	-
CBM 1941	EUR	-	261	52	209	2,348	490,732	490,732	-
Subtotal carried forward (page 40)							39,124,063	24,529,829	14,594,234

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES (CONTINUED)

15 GRANTS RECEIVABLE (CONTINUED)

Year ended 31 December 2015

	Currency	Opening contract balance	New commitment in currency	Cash received in currency	Receivables in currency	TZS/ Currency	Receivables in TZS	Current grants receivable	Non-current grants receivable
		A	B	C	D=A+B-C	E	F=D*E	G	H=F-G
		"000"	"000"	"000"	"000"		TZS'001	TZS'000	TZS'000
Subtotal brought forward (page 39)									
SiB	USD	-	69	-	69	2,149	149,048	149,048	-
Direct Relief	USD	-	76	70	6	2,149	12,894	12,894	-
VICENZA	TZS	-	74,187	-	74,187	1	74,187	49,457	24,730
CBM-Aus – TCF	USD	1	143	123	21	2,149	45,129	45,129	-
DANIDA	DKK	-	49,953	10,000	39,953	315	12,585,195	3,146,267	9,438,927
LftW – B DGD	EUR	-	320	165	155	2,348	364,354	364,354	-
Government of Tanzania	TZS	520,704	571,844	1,058,054	34,494	1	34,494	34,494	-
Barclays Bank	TZS	93,491	-	93,491	-	1	-	-	-
Capda – Beach	USD	6	-	6	-	1,547	-	-	-
Total grants receivable							52,389,364	28,331,473	24,057,891

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTES (CONTINUED)

16 CASH AND BANK	2016 TZS'000	2015 TZS'000
Cash at bank	12,680,480	19,332,449
Cash in hand	<u>44,435</u>	<u>72,874</u>
	<u>12,724,915</u>	<u>19,405,323</u>

17 BORROWINGS

Non-current

Bank borrowings	<u>2,258,701</u>	<u>-</u>
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Bank borrowings comprises of a long term bank loan. During 2016, a USD 3 million facility was put in place to finance the construction of the new Society's Private Clinic. The facility 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. The property is in the name of the Registered Trustees of Comprehensive Community Based Rehabilitation in Tanzania. The Trustees have granted the Society the right over the use of the land for its charitable activities.

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 facility is drawn down upon completion of construction monitored by architects according to the schedule agreed upon beforehand and the works in progress. The facility is repayable in equal instalments over the term of the Facility, after a two-year repayments grace period of which only interest is paid on a monthly basis.

As at 31 December 2016 USD 1.04 million (equivalent to TZS 2.26 billion) of the total facility value was drawn down. The first principal payment is expected to start in September 2018. All interest incurred on the borrowings together with its facility fees amounting to a total of USD 16,370 (equivalent to TZS 36 million) was capitalised as an asset and were included in work in progress at year end.

18 CAPITAL GRANT

	2016 TZS'000	2015 TZS'000
At start of year	28,472,920	27,590,448
Additions	3,668,074	2,015,675
Amortisation charge (Note 6)	<u>(1,186,575)</u>	<u>(1,133,203)</u>
At end of year	<u>30,954,419</u>	<u>28,472,920</u>

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTES (CONTINUED)

19 DEFERRED INCOME GRANTS

Year ended 31 December 2016

	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	TZS/ Currency	G	Deferred income grants in TZS	H = F*G
CIDA	CAD	959		-	69	890						-				-	
Vodafone Foundation-	USD	5,637		-	330	1,707						3,600		2,173		7,822,800	
USAID	USD	1,369		-	-	-						1,369		2,173		2,974,837	
Elma	USD	96		-	-	54						42		2,173		91,266	
TIGO	EUR	7,210		-	598	-						6,612		2,270		15,009,240	
KfW	EUR	2,285		-	81	-						2,204		2,270		5,003,080	
EHFk	EUR	578		-	12	30						536		2,270		1,216,720	
CBM Germany	USD	-		10	-	9						1		2,173		2,173	
500 Miles	USD	-		304	-	30						274		2,173		595,402	
USAID Child Eye Health	EUR	-		1,034	-	621						376		2,270		853,520	
CBM 1941	EUR	-		121	-	68						53		2,270		120,310	
Porticus	EUR	165		44	22	186						1		2,270		2,270	
LftW – B DGD	EUR	-		26	-	26						-		-		-	
LftW – General	EUR	17,413		696,523	-	655,092						58,844		1		58,844	
CBM 3133	TZS	-		27	-	6						21		2,173		46,176	
NIA Technologies	USD	1,050		-	178	197						675		2,173		1,466,775	
SDC 2	USD	-		91	42	33						16		2,173		34,768	
Kuopona Fundraising	USD	-		-	-	21						31		2,173		67,363	
Kuopona Family Planning	USD	-		-	-	-						52		2,173		112,162	
Subtotal carried forward (page 43)																35,365,544	

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTES (CONTINUED)

19 DEFERRED INCOME GRANTS (CONTINUED)

Year ended 31 December 2016 (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	TZS/ Currency	G	Deferred income grants in TZS	H = F*G
Subtotal brought forward (page 42)																	
Global Affairs Canada (GAC)	CAD	6,247		-	81	2,223		-	3,943		1,603	6,320,629		1,603		6,320,629	
GRAM – HDIF	GBP	273		-	-	232		-	41		2,660	109,060		2,660		109,060	
CBM Aus – MNHC	EUR	7		-	-	7		-	-		-	-		-		-	
Wonderwork	USD	-		40	-	63		23	-		-	-		-		-	
Direct Relief	USD	12		-	5	-		7	-		-	-		-		-	
CBM Switzerland	USD	54		-	14	-		-	40		-	86,920		2,173		86,920	
SFD – ICRC	USD	39		46	18	67		6	6		2,173	13,038		2,173		13,038	
VICENZA	TZS	66,053		-	-	32,556		-	33,497		1	33,497		1		33,497	
J&J Kupona-Training centre	USD	-		84	-	4		-	80		2,173	173,840		2,173		173,840	
J&J Kupona-Mabinti Centre	USD	17		31	-	18		-	30		2,173	65,190		2,173		65,190	
J&J Kupona-Fistula	USD	90		61	-	60		30	61		2,173	132,553		2,173		132,553	
CBM Canada – Italy	TZS	1,205		715,126	2,606	713,722		-	3		1	3		1		3	
DANIDA	DKK	39,767		-	10	4,681		-	35,076		305	10,698,317		305		10,698,317	
Subtotal carried forward (page 44)																52,998,591	

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTES (CONTINUED)

19 DEFERRED INCOME GRANTS (CONTINUED)

Year ended 31 December 2016 (continued)

	<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”			
Subtotal brought forward (page 43)									
SiB	EUR	-	45	-	45	-	-	-	-
Irish Aid	EUR	-	1,000	48	952	-	-	-	-
IFHSB	EUR	1	5	-	-	6	12	-	-
Fistula Foundation 2013 – 2016	USD	23	240	14	226	23	-	-	-
Capda Beach 2	USD	7	-	-	7	-	-	-	-
Capda	USD	2	-	-	2	-	-	-	-
Smile Train – Transport	USD	-	5	-	5	-	-	-	-
Smile Train – Training & capacity building	USD	-	-	-	-	-	-	-	-
Smile Train – Cleft Awareness raising	USD	-	18	-	7	-	11	2,173	23,836
Smile Train – DH	USD	-	3	-	3	-	-	-	-
FK Norway	EUR	7	171	-	142	2	34	2,173	73,120
FK Norway	USD	3	-	-	-	-	3	2,270	6,810
Government of Tanzania	USD	-	42	-	37	-	5	2,173	10,865
	TZS	47,083	35,043	-	-	47,083	35,043	1	35,043
Grand Total									53,148,265
Current Deferred Income Grant									13,990,367
Non-Current Deferred Income Grant									39,157,898

(44)

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES (CONTINUED)

19 DEFERRED INCOME GRANTS (CONTINUED)

Year ended 31 December 2015

	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	Deferred income grants in TZS	TZS/ Currency	G	H = F*G	
CIDA	CAD	1,961	-	-	75	927	-	959	-	-	1,547	1,483,573	1,483,573	1,547	-	-		
Vodafone Foundation-USAID	USD	6,757	45	48	1,027	-	2	5,635	2	2	2,149	12,110,182	12,110,182	2,149	-	-		
Elma	USD	1,390	-	21	-	-	1	1,368	1	1	2,149	2,940,799	2,940,799	2,149	-	-		
MIC Tanzania Limited	USD	-	150	-	-	54	-	96	-	-	2,149	206,304	206,304	2,149	-	-		
KfW	EUR	7,497	-	287	-	-	1	7,209	1	1	2,348	16,926,544	16,926,544	2,348	-	-		
EHfK	EUR	660	1,654	29	-	-	-	2,285	-	-	2,348	5,365,180	5,365,180	2,348	-	-		
CBM Germany	EUR	725	-	75	72	-	-	578	-	-	2,348	1,357,144	1,357,144	2,348	-	-		
Bona Officia	USD	-	9	-	-	9	-	-	9	-	-	-	-	-	-	-	-	
Vodacom Foundation	TZS	-	100,000	-	-	102,093	-	-	2,093	-	-	-	-	-	-	-	-	
CBM 1941	EUR	-	-	261	-	261	-	-	-	-	-	-	-	-	-	-	-	
CBM Aus - TCF	USD	-	55	143	-	108	-	-	20	20	-	-	-	-	-	-	-	
LfW - B DGD	EUR	-	-	320	-	154	-	165	1	1	2,348	387,420	387,420	2,348	-	-		
LfW - General	EUR	-	-	26	-	26	-	-	-	-	-	-	-	-	-	-	-	
CBM 3133	TZS	24,972	972,655	-	-	983,206	-	-	2,992	2,992	17,413	17,413	17,413	1	1	17,413	17,413	
CBM NZ (2739)	EUR	-	-	-	-	23	-	23	23	23	-	-	-	-	-	-	-	
WISE	USD	20	-	-	-	20	-	-	-	-	-	-	-	-	-	-	-	
SDC 2	USD	1,201	-	-	73	78	-	-	-	-	1,050	2,256,450	2,256,450	2,149	-	-		
Barclays Bank	TZS	-	27,232	-	-	-	-	-	27,232	27,232	-	-	-	-	-	-	-	
BOA cf	USD	-	-	100	-	100	-	-	-	-	-	-	-	-	-	-	-	
Subtotal carried forward (page 46)																		43,051,010

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTES (CONTINUED)

19 DEFERRED INCOME GRANTS (CONTINUED)

Year ended 31 December 2015 (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	TZS/ Currency	G	Deferred income grants in TZS	H = F*G
Subtotal carried forward (page 45)																	
Kupona 2013-2014	USD	221		73		-		294		-		-		-		-	
CBM EU – MNHC	EUR	20		-		-		-		20		-		-		-	
Global Affairs Canada (GAC)	CAD	8,242		-		103		1,892		-		6,248		1,547		9,665,698	
GRM – HDIF	GBP	427		-		1		153		0		273		3,179		866,742	
CBM Aus – MNHC	EUR	35		423		-		461		10		7		2,348		15,654	
NUFFIC	EUR	3		-		-		-		3		6		-		-	
Wonderwork	USD	20		135		-		155		-		-		-		-	
Direct Relief	USD	-		77		65		-		-		12		2,149		25,004	
LDS	TZS	6,647		-		-		-		-		-		-		-	
Mabinti donations	TZS	-		10,937		-		10,937		-		-		-		-	
CBM Switzerland – Anabelle	USD	63		-		47		16		-		-		-		-	
CBM Switzerland	USD	70		70		86		-		-		54		2,149		116,190	
SFD – ICRC	USD	68		23		2		50		-		39		2,149		83,835	
Playground	TZS	11,251		-		-		32,273		21,022		-		-		-	
Vicenza	TZS	-		74,187		-		8,134		-		66,053		1		66,053	
Subtotal carried forward (page 47)																53,890,184	

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTES (CONTINUED)

19 DEFERRED INCOME GRANTS (CONTINUED)

Year ended 31 December 2015 (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	TZS/ Currency	G	Deferred income grants in TZS H = F*G
Subtotal carried forward (page 46)															
Goat races cf	TZS	-	-	15,000	-	-	-	15,000	-	-	-	-	-	-	53,890,184
Lions Club	TZS	5,925	-	-	-	-	-	5,925	-	-	-	-	-	-	-
CCBRT donations	TZS	84,454	-	67,459	-	-	-	23,606	-	128,307	-	-	-	-	-
NABAKI Ltd	TZS	-	-	3,500	-	-	-	3,500	-	-	-	-	-	-	-
J&J Kuponu 2016	USD	31	-	91	-	-	-	32	-	-	-	90	2,149	193,410	
J&J Kuponu – Mabinti Centre	USD	-	-	22	-	-	-	5	-	-	-	17	2,149	36,469	
CBM Canada – Italy	TZS	64,037	-	61,032	-	7,572	-	116,292	-	-	-	1,205	1	1,205	
DANIDA	DKK	-	-	49,954	-	-	-	10,233	-	-	-	39,721	315	12,512,077	
CBM Canada – Mwanza	USD	3	-	-	-	-	-	3	-	-	-	-	-	-	
SiB	EUR	-	-	70	-	-	-	70	-	-	-	-	-	-	
IRISH AID	EUR	-	-	700	-	-	-	700	-	-	-	-	-	-	
IFHSB	EUR	-	-	23	-	0	-	22	-	-	-	1	2,348	1,348	
Fistula Foundation 2013 – 2016	USD	75	-	110	-	11	-	151	-	-	-	23	2,149	49,422	
Motivation	TZS	-	-	-	-	2,290	-	-	-	2,290	-	-	-	-	
Capda Beach 2	USD	-	-	13	-	0	-	6	-	-	-	7	2,149	16,021	
Goat races cf	TZS	-	-	15,000	-	-	-	15,000	-	-	-	-	-	-	
Lions Club	TZS	5,925	-	-	-	-	-	5,925	-	-	-	-	-	-	
Subtotal carried forward (page 48)														66,700,136	

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES (CONTINUED)

19 DEFERRED INCOME GRANTS (CONTINUED)

Year ended 31 December 2015 (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	TZS/ Currency	G	Deferred income grants in TZS H = F*G
Subtotal carried forward (page 47)	USD														66,700,136
Capda	USD		-	13	13	2	2	9	9	-	-	2	2,149	2	5,108
Capda Beach 1	USD		15	1	1	-	-	14	14	-	2	-	-	-	-
MH Corporate	TZS		34,577	-	-	7,670	7,670	26,907	26,907	-	-	-	-	-	-
Smile Training – DH	USD		-	139	139	31	31	101	101	-	-	7	2,149	7	15,634
FK Norway	EUR		8	21	21	12	12	14	14	-	-	3	2,348	3	7,429
Government of Tanzania	TZS		-	571,844	571,844	-	-	524,761	524,761	-	-	47,083	1	1	47,083
Grand total															66,775,390
Current Deferred Income Grant															15,181,954
Non-Current Deferred Income Grant															51,593,436

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTES (CONTINUED)

20 ACCOUNTS PAYABLE	<u>2016</u> TZS'000	<u>2015</u> TZS'000
Trade payable	1,669,304	2,092,529
Accruals	264,829	253,464
Statutory liabilities	755,774	575,134
Advance payments-costs sharing from patients	<u>418,236</u>	<u>337,359</u>
	<u>3,108,143</u>	<u>3,258,486</u>

21 CAPITAL COMMITMENTS

Capital expenditure contracted for at the end of the reporting period but not yet incurred is TZS 34,540 million (2015: TZS 43,611 million). The capital commitment relates to the construction of Maternity and Newborn Hospital and the CCBRT Clinic buildings.

22 RELATED PARTY TRANSACTION AND BALANCES

Related party relationships exist between the Society, its fundraising partners and other organisations under common directorship. Transactions with related parties are as follows:

	<u>2016</u> TZS'000	<u>2015</u> TZS'000
(a) Funds received during the year		
Fundraising partner (Kupona Foundation)	<u>1,296,526</u>	<u>1,313,949</u>
(b) Purchase of services		
Advance on operating costs-Fundraising partner (Kupona Foundation)	<u>543,999</u>	<u>279,728</u>
(c) Amounts due from a related party (Note 14)		
Fundraising partner (Kupona Foundation)	<u>2,319,015</u>	<u>1,775,015</u>

(d) Key management remuneration

Key management personnel are described as those persons having authority and responsibility for planning, directing and controlling the activities of the Society, directly or indirectly, including any director of the Society.

Key management personnel compensation paid by the Society are as follows:

Short term employee benefits

	<u>2016</u> TZS'000	<u>2015</u> TZS'000
Salaries	2,037,744	2,069,334
Other short term benefits	<u>1,262,473</u>	<u>435,014</u>
	<u>3,300,217</u>	<u>2,504,348</u>

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES (CONTINUED)

23 PRIOR YEAR ADJUSTMENT

Deferred income grants

Deferred income grants was only disclosed as a current liability balance in the prior year accounts despite management having all the information that the balance is supposed to be disclosed partly as a current liability and non-current liability.

The financial statements for prior year are restated to correct the misstatement in classification of the deferred income grant on the face of the statement of financial position. The effects of correction on the financial statements for prior year is as below:

Statement of profit or loss and other comprehensive income;

The prior year adjustments have no impact on the statement of profit or loss and other comprehensive income as they relate to the correction of classification in the statement of financial position only.

Statement of financial position;

2015

Non-current liabilities

Deferred income grants:

As previously stated

-

-Prior year adjustment

51,593,436

As restated

51,593,436

Current liabilities

Deferred income grants:

As previously stated

66,775,390

-Prior year adjustment

(51,593,436)

As restated

15,181,954

24 ULTIMATE HOLDING ENTITY

Comprehensive Community Based Rehabilitation in Tanzania (CCBRT) is registered as a Society under the Societies Ordinance, 1954, CAP 337.R.E 2002. The Society is under the stewardship of the Governing Board Members.