

**COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA  
(CCBRT)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

# COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

## ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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**COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**ORGANISATION INFORMATION**

***PRINCIPAL PLACE OF BUSINESS***

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

***REGISTRATION AND COMPLIANCE***

On 12 October 1994, Comprehensive Community-Based Rehabilitation in Tanzania (CCBRT) was incorporated as a Society under the Societies Ordinance, 1954, CAP 337 R.E 2002. Subsequently, on 22 May 2018, CCBRT was issued with a Certificate of Compliance in accordance with the terms and conditions of NGOs under the Non-Governmental Organisation Act, 2002.

***BANKERS***

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

Azania Bank Limited  
Mawasiliano Towers  
PO Box 32089  
Dar es Salaam  
Tanzania

NBC Limited  
Moshi Branch  
PO Box 3030  
Moshi  
Tanzania

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

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

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

***SOLICITORS***

IMMMA Advocates  
IMMMA House, Plot No. 357  
United National Road, Upanga  
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 2018

The Governing Board Members submit their report, together with the audited financial statements, for the year ended 31 December 2018, 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. Since its establishment, CCBRT has grown to become the largest rehabilitation and disability service provider in Tanzania through its ophthalmology, orthopaedic and rehabilitation, plastic and reconstructive surgery, and maternal and newborn health services. CCBRT operates the country's largest obstetric fistula programme and leads in cleft lip/palate and clubfoot treatments. In 2018, CCBRT provided clinical and rehabilitation services at two facilities, its hospital in Dar es Salaam and rehabilitation centre in Moshi, and further supported 30 partner facilities.

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

Training and capacity building are essential to CCBRT's work, and are being further strengthened through the establishment of a training centre in 2018, the 'CCBRT Academy', which is providing training and education opportunities for CCBRT staff and human resources for health, management and related fields across Tanzania and beyond. Training and support in livelihood activities for clients is provided through the CCBRT Moshi House of Hope rehabilitation centre, and the Mabinti Centre in Dar es Salaam which provides training courses and employment for women who received treatment for fistula at CCBRT.

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

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

# COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

## GOVERNING BOARD MEMBERS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 1 BACKGROUND AND PRINCIPAL ACTIVITIES (CONTINUED)

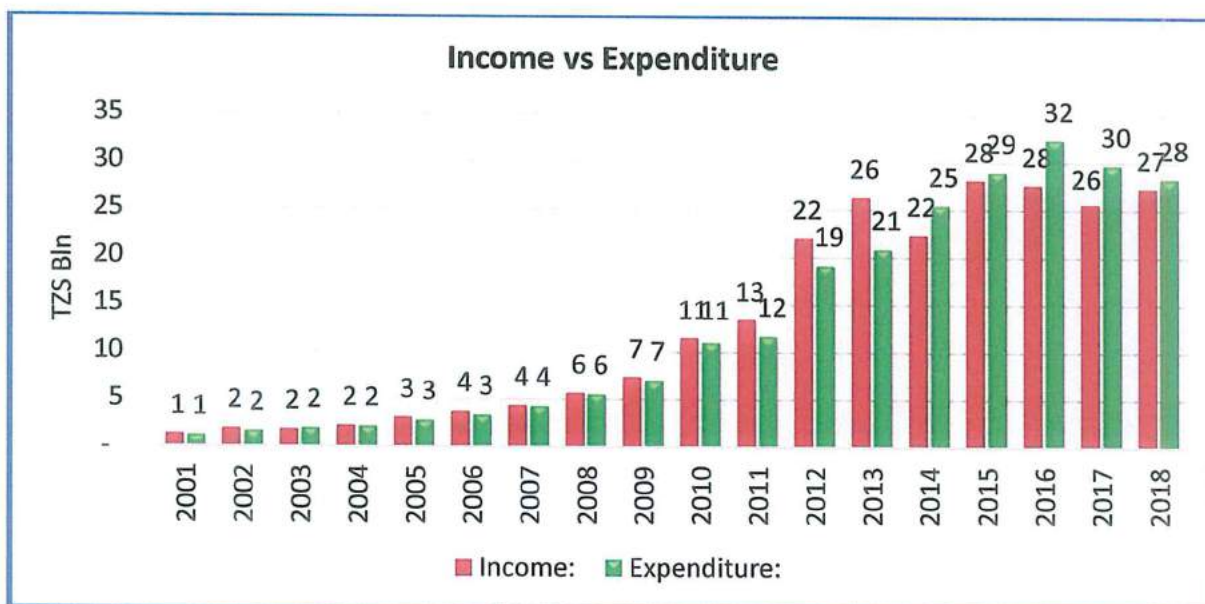
#### CCBRT's Vision

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

#### CCBRT's Mission

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

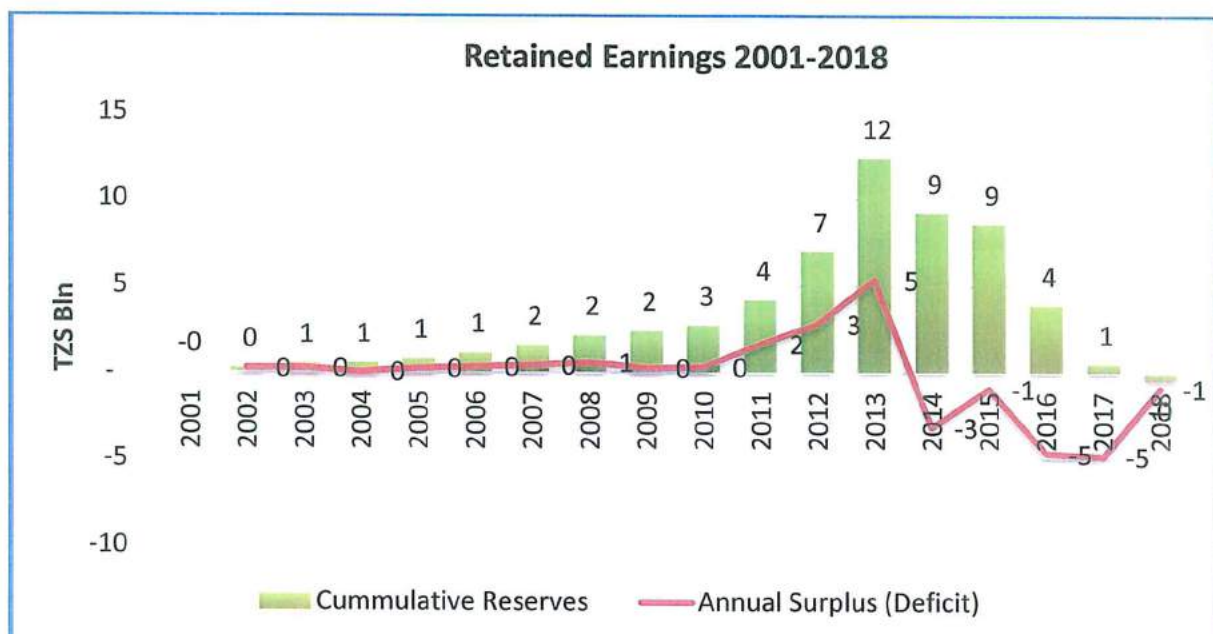
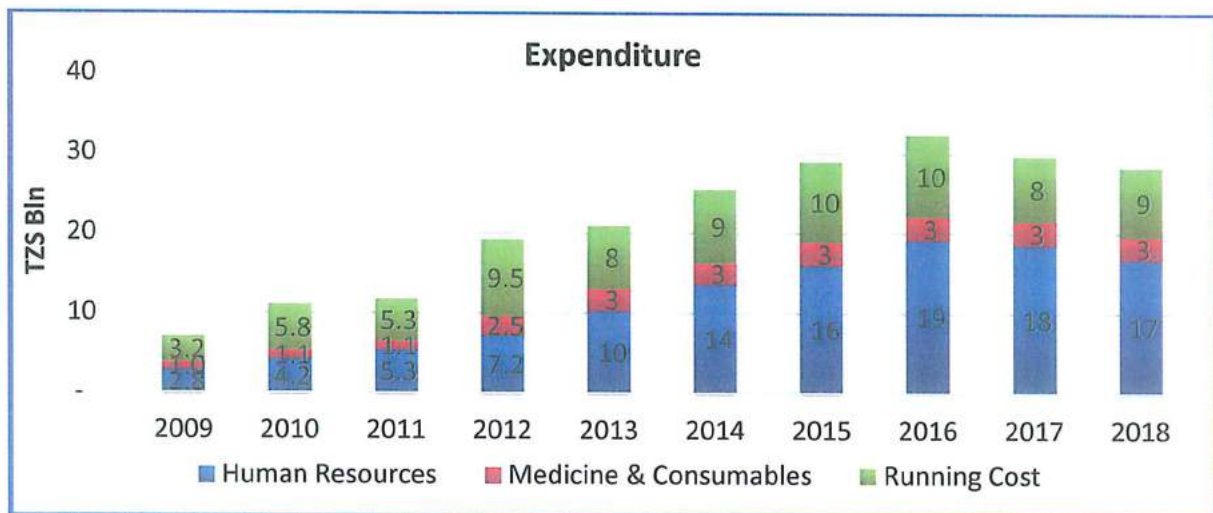
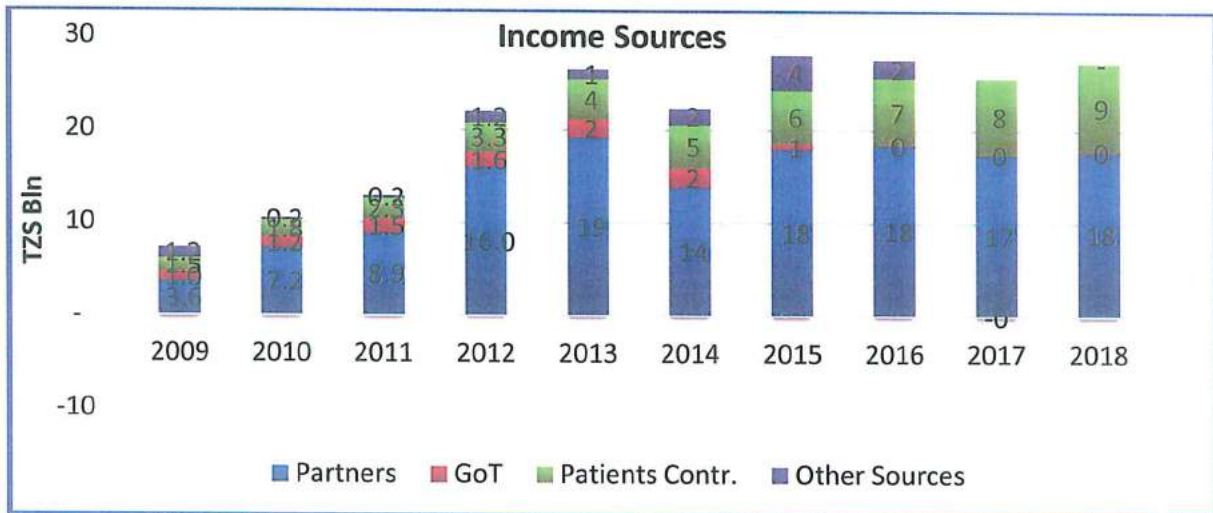
### 2 FINANCIAL HIGHLIGHTS



COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018

2 FINANCIAL HIGHLIGHTS (CONTINUED)



COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018

3 SERVICE DELIVERY REVIEW

2018 General statistics	2017	2018			2018
	Total	CCBRT		Rural Facilities	Total
		Standards	Private	Outreach	
<b>PATIENTS SERVED</b>					
ALL Patients served	61,453	47,471	12,959	2,435	62,865
NEW Patients served	43,143	34,541	9,419	997	44,957
Subsidized Patients served (Patients received services from standard)	52,162	47,471	NA	2,435	49,906
Free Patients served ( $\leq$ 5 years patients, fistula patients)	12,162	11,572	1	1,213	12,786
<b>NEW</b>					
New case Eye	39,008	26,941	5,630	NA	32,571
New case Ortho	8,864	6,985	1,984	NA	8,969
New case Clubfoot	479	295	16	33	344
New case Cleft lip / palate	211	111	1	NA	112
New case VVF	343	748	19	NA	767
New case P&O	189	461	97	NA	558
New case Physiotherapy	569	887	225	NA	1112
New case Burn	47	27	5	NA	32
New case seen Outpatient	NA	NA	NA	579	579
New case seen in WIT(week of intensive training)	257	NA	NA	195	195
<b>Total New Case</b>	<b>49,967</b>	<b>36,455</b>	<b>7,977</b>	<b>807</b>	<b>45,239</b>
<b>CONSULTATIONS</b>					
Eye Consultations	65,682	55,388	12,280	1,270	68,938
Ortho Consultations	24,676	21,364	7,527	528	29,419
VVF consultations	908	725	44	0	769

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018

3. SERVICE DELIVERY REVIEW (CONTINUED)

2018 General Statistics	2017	2018			2018
	Total	CCBRT		Rural Facilities	Total
		Standard	Private	Outreach	
<b>CONSULTATIONS CONTINUED</b>					
Physiotherapy Consultations & Sessions - DSM only	11,447	6,419	1,013	NA	7,432
P&O Consultations - DSM only	74	270	20	NA	290
Outpatient Client Consultations – Moshi only	938	NA	NA	758	758
Clubfoot (Ponseti) Client Consultations	583	NA	NA	330	330
Bone Deformity Consultations (identified and referred for treatment)	77	NA	NA	179	179
<b>Total Number of Consultations</b>	<b>106,402</b>	<b>86,184</b>	<b>20,884</b>	<b>3,065</b>	<b>110,133</b>
<b>OUTREACH TREATMENT</b>					
Home Visits Conducted	8,236	1,440	NA	4,184	5,624
Home Clients Seen	2,484	1,101	NA	952	2,053
Family Supported through CBR (Rehabilitation)	4,870	1,101	NA	2,435	3,536
Supportive Units' Clinics Done/Number of Clinics done	5,381	480	NA	256	736
Supportive Units' Visits Done	4,441	480	NA	1,005	1,485
Unique Clients Visited During the Supportive Units	3,591	1,101	NA	374	1,475
School Visits Conducted	248	0	NA	87	87
School Children Seen	340	0	NA	214	214
Client Seen in WIT	614	0	NA	649	649
<b>Total Number of Outreach Treatments</b>	<b>30,205</b>	<b>5,703</b>	<b>NA</b>	<b>10,156</b>	<b>15,859</b>
<b>FOLLOW UP</b>					
Seating Clinic Follow Up	0	NA	NA	241	241
<b>Total Number of Follow Ups</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>241</b>	<b>241</b>



COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018

3. SERVICE DELIVERY REVIEW (CONTINUED)

2018 General Statistics	2017	2018			2018
	Total	CCBRT		Rural Facilities	Total
		Standard	Private	Outreach	
<b>SURGERIES</b>					
Eye Surgeries	6,367	5,063	1,624	167	6,854
Ortho Surgeries (excl. cleft lip /palate, clubfoot, tenotomy & reconstructive)	837	474	224	123	821
Cleft Lip / Palate Surgeries	311	207	0	0	207
Clubfoot Surgeries	76	119	6	0	125
Tenotomy Surgeries	95	60	4	26	90
Reconstructive Surgeries (excluding cleft lip /palate)	176	106	4	0	110
VVF Surgeries	738	549	0	158	707
VP Shunting/CT Scan	8	NA	NA	25	25
<b>Total Number of Surgeries</b>	<b>8,608</b>	<b>6,578</b>	<b>1,862</b>	<b>499</b>	<b>8,939</b>

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

3. SERVICE DELIVERY REVIEW (CONTINUED)

2018 General Statistics	2017	2018			2018
	Total	CCBRT		Rural Facilities	Total
		Standard	Private	Outreach	
<b>DEVICES</b>					
Refractions Conducted	14,863	12,061	3,292	NA	15,353
Patients Assessed for Low Vision	163	878	51	NA	929
Glasses (spectacles) Provided	8,828	4,391	3,190	NA	7,581
Low Vision Devices Provided	51	130	111	NA	241
Lenses Provided	103	45	133	NA	178
Frames Provided	156	25	254	NA	279
<b>Total Number of Optical Devices Provided</b>	<b>23,905</b>	<b>17,530</b>	<b>7,031</b>	<b>NA</b>	<b>24,561</b>
<b>ASSISTIVE DEVICES</b>					
P & O Devices	602	394	29	NA	423
Orthopaedic Devices	252	0	0	129	129
Special Seats	405	0	0	0	0
Wheelchairs	437	181	0	231	412
Artificial eyes	133	52	0	NA	52
Other devices	39	307	0	0	307
<b>Total Number of Assistive Devices Provided (prosthetics and orthotics, special seats and orthopaedic devices)</b>	<b>1,868</b>	<b>934</b>	<b>29</b>	<b>360</b>	<b>1,323</b>

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018

3. SERVICE DELIVERY REVIEW (CONTINUED)

2018 General Statistics	2017	2018			2018
	Total	CCBRT		Rural Facilities	Total
		Standard	Private	Outreach	
<b>CAPACITY BUILDING</b>					
People Trained in Disability Inclusion	593	275	NA	NA	275
Maternal and Newborn Healthcare Professionals Trained	1,332	904	NA	NA	904
WIT Meetings Conducted	41	NA	NA	45	45
Ponseti Clinics Conducted	310	NA	NA	73	73
Home Based Care Training	41	NA	NA	15	15
Community Healthcare Worker Training	59	NA	NA	447	447
Parents Trained on Livelihood Activities	145	NA	NA	143	143
Families Provided a Goat(s)	12	NA	NA	0	0
Families Provided Materials (Vifaa)	0	NA	NA	0	0
<b>Total Number of Patients Served by Capacity Building</b>	<b>2,533</b>	<b>1,179</b>	<b>0</b>	<b>723</b>	<b>1,902</b>
<b>Maternal and Newborn Health services</b>					
Number of Women Attended Antenatal Care First Visit	46,145	NA	NA	43,569	43,569
Total Deliveries	84,625	NA	NA	83,441	83,441
Live Birth	80,870	NA	NA	83,395	83,395
Still Birth (FSB+MSB)	1,713	NA	NA	1,799	1,799
Neonatal Death	946	NA	NA	1,148	1,148
Maternal Death	74	NA	NA	74	74
Caesarean Sections	11,993	NA	NA	12,832	12,832
Instrumental Delivery (vacuum)	2,151	NA	NA	2,639	2,639

# COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

## GOVERNING BOARD MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 4. PERFORMANCE RESULTS FOR THE YEAR

The total income (revenue, other income, and finance income) decreased by 1.4% in 2018 with a total of TZS 27,216 million (2017: TZS 27,736 million). The decrease is mainly attributed to a decrease in grants and donations throughout the year.

The statement of financial position shows that during the year 2018 total assets decreased by 6.9% to TZS 89,091 million (2017: TZS 95,671 million). The decrease is mainly attributed to a decrease in the cash balance and grant receivables.

The net loss for the year 2018 of TZS 1,291 million (2017: TZS 4,811 million) is reflected in the retained earnings account. The decrease in the loss for the year is mainly attributed to managing staff costs, as well as other measures taken to reduce repair and maintenance costs, training costs, patient related costs, security costs, communication & advertisement costs and transport costs.

### 5. GOING CONCERN

The Governing Board Members confirm that applicable accounting standards have been followed and the financial statements have been prepared on a going concern basis. Despite the fact that the entity incurred a loss of TZS 1,291 million for the year then ended, the Governing Board Members have reasonable expectation that CCBRT has adequate resources to continue with its operation for at least twelve months from the date of these financial statements.

### 6. EMPLOYEE WELFARE

With more than 420 staff at the end of 2018, with over half clinical, CCBRT continues to maintain expertise essential for quality specialised healthcare. CCBRT aims to retain, attract and recruit staff who share the organisation's values and reflect the diverse community served; 60% of the staff are female and over 6% of employees have disabilities. The Association of Tanzania Employers recognised CCBRT as 1<sup>st</sup> Runner-Up for the Best NGO Employer of the Year Award, and the Most Diverse and Inclusive Employer of the Year award at its annual Employer of the Year Award event.

CCBRT's Training Centre, (the 'CCBRT Academy') became operational during the first half of 2018 and started to provide training and capacity building opportunities for CCBRT staff. A variety of trainings, with both internal and external facilitators, were provided to staff in 2018. CCBRT conducted general trainings compulsory for all staff such as fire training, customer care and communication training, and training on disability inclusion. As well as technical trainings for specific cadres of staff, such as Infection Prevention and Clubfoot. The roll-out and subsequent training in the use of the Performance Improvement System (PIS), CCBRT's new management system, was conducted in the CCBRT Academy.

CCBRT pays contributions to the National Social Security Fund (NSSF) and Public Service Social Security Fund (PSSSF) both publicly administered pension plans, on a mandatory basis that qualify to be defined contribution plans. The average number of employees during the year was 422 (2017: 475).

### 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. Governing Board 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 other classes of assets (property and equipment) were carried out at cost model as per note 11 of the financial statements. The revaluation reserve generated is not available for distribution.

# COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

## GOVERNING BOARD MEMBERS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 8. FUTURE DEVELOPMENTS

#### Private Clinic

With the soft opening of CCBRT's Private Clinic, the organisation further solidified its transition to a social enterprise; the profits from insured or cash paying patients seen at the new facility continue to support CCBRT's other costs, including free and subsidised treatment for particularly marginalised individuals. CCBRT remains committed to ensuring vulnerable Tanzanians in need of health services receive care, regardless of their ability to pay (20% of patients were treated for free in 2018).

#### Maternity and Newborn Hospital

In 2018, CCBRT continued to liaise with the Government of Tanzania and donors about construction of its future maternity and newborn facility, with a reduced scope plan to restart construction and mitigate risk pending the finalisation of funding agreements.

### 9. CAPITAL STRUCTURE

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

### 10. CORPORATE GOVERNANCE

The Governing Board has seven members and six of them are non-executive members that are not involved in the day-to-day running of the Society. The CEO by virtue of her position is Secretary to the Board. The Governing Board Members' possess a sufficient breadth of experience to bring independent judgement to the decision-making of 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 Hospital Executive Team (HEC).

### 11. GOVERNING BOARD MEMBERS

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

<u>Name</u>	<u>Nationality</u>	<u>Position</u>	<u>Year of appointment</u>	<u>Year of resignation</u>
Dr Willibrod P. Slaa	Tanzanian	President	1994	
Mr Biharilal K. Tanna	British	Vice President	2002	
Mr Jonathan A. Sutton	Irish	Treasurer	2010	
Prof Godfrey Mmari	Tanzanian	Member	2007	
Mr Ed Epp	Canadian	Member	2016	
Ms Brenda Msangi	Tanzanian	Secretary / CEO	2018	
Mr Erwin Telemans	Belgian	Secretary/Former CEO	2007	2018
Mr Eliyuko. F. Mnyone (Deceased)	Tanzanian	Member	1994	2018

**COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)**

**GOVERNING BOARD MEMBERS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**12. AUDITOR**

The auditor, PricewaterhouseCoopers, has expressed its willingness to continue in office and is eligible for re-appointment. A resolution proposing the re-appointment of PricewaterhouseCoopers as auditor of the Society for the year ending 31 December 2019 will be put to a Governing Board Members' Meeting.

**BY ORDER OF THE GOVERNING BOARD**



**Dr Willibrod P. Slaa**  
**President**

23/08/2019

**Date**



**Ms. Brenda Msangi**  
**Secretary/CEO**

23/08/2019

**Date**

# COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

## WORD FROM THE CEO FOR THE YEAR ENDED 31 DECEMBER 2018

As the first year of CCBRT's new five-year strategy, 2018 was a year of development and expansion. CCBRT continued to use lean management tools to support improvement of service areas in-line with organisational change. Our areas of focus included creating a solid management system that will support our purpose of being a learning organisation that will foster a continuous improvement culture across the organisation.

Accomplishments across five strategic priorities – valued and engaged staff, excellent client outcome, excellent client experience, learning and innovation and financial sustainability – have impacted Tanzanians in need and their families, particularly people with disabilities, mothers and newborns through the provision of our clinical services and development programmes both in Dar es Salaam and Moshi.

The soft opening of the new Private Clinic and the CCBRT Academy were significant strides forward for CCBRT in 2018. The new facilities offer expanded service provision and revenue-generation capacity to bolster the provision of CCBRT's free and subsidised services. In 2018 alone, close to 50,000 vulnerable patients were able to access high quality care, regardless of their ability to pay. CCBRT's commitment to serve the most vulnerable community members resulted in 30,734 Disability Adjusted Life Years (years lost due to disability) averted and more than 10,000 total surgeries performed.

I want to thank my predecessor Erwin Telemans, the members of the Hospital Executive Committee, and all staff for their dedication and commitment throughout the year as we continue to build a world class rehabilitation and disability hospital in Tanzania.



**Ms. Brenda Msangi**  
**Chief Executive Officer**

Date: 23/08/2019



**COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)**

**STATEMENT OF THE GOVERNING BOARD MEMBERS' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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 judgements 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 misstatements 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:

**Dr. Willibrod P. Slaa**  
**President**

23/08/2019

**Date**



**Ms. Brenda Msangi**  
**Secretary / CEO**

23/08/2019

**Date**



## COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

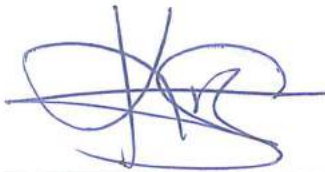
### DECLARATION OF THE HEAD OF FINANCE FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018 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: 23/08/2019

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

*Report on the audit of the financial statements*

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*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 2018, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Societies Ordinance, 1954, Cap 337. R.E. 2002.

**What we have audited**

The financial statements of Comprehensive Community-Based Rehabilitation in Tanzania as set out on pages 19 to 62 comprise:

- the statement of financial position as at 31 December 2018;
- 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.

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*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.

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*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 the Governing Board Members' Responsibilities and Declaration of the Head of Finance but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

## *Report on the audit of the financial statements (continued)*

### *Responsibilities of the Governing Board Members for the financial statements*

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The Governing Board Members are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the 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.

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*

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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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.

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

*Report on the audit of the financial statements (continued)*

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

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

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*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 Governing body in accordance with Societies Ordinance, 1954, Cap 337.R.E 2002 and for no other purposes.



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Nelson E. Msuya, FCPA – PP

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

Date: 23 AUGUST 2019

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<u>Note</u>	<u>2018</u> TZS'000	<u>2017</u> TZS'000
Revenue	5	25,308,960	25,581,583
Other income	6	1,614,218	1,276,358
Operating costs	7	<u>(28,252,136)</u>	<u>(29,748,050)</u>
Operating loss		(1,328,958)	(2,890,109)
Finance income	8(b)	293,526	878,879
Finance costs	8(a)	<u>(255,973)</u>	<u>(2,800,171)</u>
<b>Loss before income tax</b>		<b>(1,291,405)</b>	<b>(4,811,401)</b>
Income tax expense	10	<u>-</u>	<u>-</u>
<b>Net loss for the year</b>		<b>(1,291,405)</b>	<b>(4,811,401)</b>
Other comprehensive income		<u>-</u>	<u>-</u>
<b>Total comprehensive loss for the year</b>		<b><u>(1,291,405)</u></b>	<b><u>(4,811,401)</u></b>

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

STATEMENT OF FINANCIAL POSITION

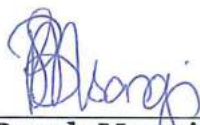
	<u>Note</u>	<u>2018</u> TZS'000	<u>2017</u> TZS'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	11	46,114,180	43,939,448
Intangible assets	12	295,863	392,474
Grants receivable	15	<u>19,558,272</u>	<u>25,424,986</u>
		<b>65,968,315</b>	<b>69,756,908</b>
<b>Current assets</b>			
Inventories	13	2,306,467	2,374,474
Accounts receivable	14	1,975,854	2,306,519
Grants receivable	15	11,001,574	7,638,149
Cash and cash equivalents	16	<u>7,839,403</u>	<u>13,595,267</u>
		<b>23,123,298</b>	<b>25,914,409</b>
<b>TOTAL ASSETS</b>		<b><u>89,091,613</u></b>	<b><u>95,671,317</u></b>
<b>RESERVES AND LIABILITIES</b>			
<b>RESERVES</b>			
Accumulated losses		(1,982,141)	(801,407)
Revaluation reserve		<u>1,197,567</u>	<u>1,308,238</u>
<b>Total reserve</b>		<b><u>(784,574)</u></b>	<b><u>506,831</u></b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Capital grants	18	36,123,094	34,514,467
Deferred income grants	19	23,554,335	29,553,213
Borrowings	17	<u>6,842,485</u>	<u>6,420,438</u>
		<b>66,519,914</b>	<b>70,488,118</b>
<b>Current liabilities</b>			
Deferred income grants	19	19,130,901	21,304,231
Accounts payable	20	4,225,372	3,103,647
Borrowings	17	<u>-</u>	<u>268,490</u>
		<b>23,356,273</b>	<b>24,676,368</b>
<b>TOTAL LIABILITIES</b>		<b><u>89,876,187</u></b>	<b><u>95,164,486</u></b>
<b>TOTAL RESERVE AND LIABILITIES</b>		<b><u>89,091,613</u></b>	<b><u>95,671,317</u></b>

The financial statements on pages 19 to 62 were approved by the Governing Board Members on

23/08/2019 and signed on its behalf by:

  
Dr Willibrod P. Slaa  
President



  
Ms. Brenda Msangi  
Secretary / CEO

**COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)****FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018****STATEMENT OF CHANGES IN RESERVES**

	<b>Accumulated losses</b>	<b>Revaluation reserve</b>	<b>Total</b>
	<b>TZS'000</b>	<b>TZS'000</b>	<b>TZS'000</b>
<b>Year ended 31 December 2018</b>			
At start of year	<b>(801,407)</b>	<b>1,308,238</b>	<b>506,831</b>
Loss for the year	<b>(1,291,405)</b>	<b>-</b>	<b>(1,291,405)</b>
Release from revaluation reserve - depreciation	<b>110,671</b>	<b>(110,671)</b>	<b>-</b>
<b>At end of the year</b>	<b><u>(1,982,141)</u></b>	<b><u>1,197,567</u></b>	<b><u>(784,574)</u></b>
<b>Year ended 31 December 2017</b>			
At start of year	3,891,790	1,512,723	5,404,513
Loss for the year	(4,811,401)	-	(4,811,401)
Release from revaluation reserve - depreciation	118,204	(118,204)	-
Release of revaluation reserve - disposal	-	(86,281)	(86,281)
<b>At end of the year</b>	<b><u>(801,407)</u></b>	<b><u>1,308,238</u></b>	<b><u>506,831</u></b>

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

STATEMENT OF CASH FLOWS

		<u>2018</u>	<u>2017</u>
<b>Cash flow from operating activities</b>	<b>Note</b>	<b>TZS '000</b>	<b>TZS '000</b>
Loss for the year		(1,291,405)	(4,811,401)
<i>Adjustments for:</i>			
Depreciation	8	1,735,604	1,272,687
Amortisation of intangible asset	8	183,236	173,832
Release of capital grants	6	(1,430,421)	(1,161,239)
Loss on disposal/write off of assets	8	6,103	78,722
Gain on disposal of property, plant and equipment	6	(52,352)	-
<i>Change in working capital items</i>			
Inventory		68,007	352,781
Accounts receivable		330,665	620,445
Accounts payable		1,121,725	(4,496)
Net cash generated/(used) from operation		<u>671,162</u>	<u>(3,478,669)</u>
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment	11	(4,051,194)	(8,806,037)
Purchase of intangible assets	12	(86,625)	(5,264)
Proceeds on disposal of equipment		52,352	-
Net cash used in investing activities		<u>(4,085,467)</u>	<u>(8,811,301)</u>
<b>Cash flow from financing activities</b>			
Proceeds from borrowings		153,557	4,430,227
Grants received		(2,495,116)	8,730,095
Net cash (used)/generated from financing activities		<u>(2,341,559)</u>	<u>13,160,322</u>
<b>(Decrease)/increase in cash and cash equivalent</b>		<u>(5,755,864)</u>	<u>870,352</u>
<b>Movement in cash and cash equivalents</b>			
At start of year		13,595,267	12,724,915
(Decrease)/increase		(5,755,864)	870,352
At end of year	16	<u>7,839,403</u>	<u>13,595,267</u>



# COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

## FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

### NOTES

#### 1 GOING CONCERN BASIS OF THE FINANCIAL STATEMENTS PREPARATION

The Society incurred a net loss of TZS 1,291 million for the year ended 31 December 2018 and as of that date it had a negative reserve of TZS 784 million. The Society is not-for-profit entity and generates its income mainly from the donor funding, hospital services rendered, and medicines sold to patients (cost sharing).

The financial statements have been prepared on a going concern basis having regard to the forecast made for the private clinic which has been in operation for the last six months of financial year 2018 and continued support from strategic partners (donors) based on the Strategic Plan prepared for years 2018 to 2022. As at 31 December 2018, strategic partners committed funding through new agreements beyond the financial year 2018 amounting to TZS 42,685 million which includes capital expenditure and other operational activities.

Hence, the Governing Board Members have a reasonable expectation that the Society 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 3.

##### (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 2018:

- IFRS 9 – Financial instruments; and
- IFRS 15 – Revenue from contracts with customers

##### IFRS 9 'FINANCIAL INSTRUMENTS'

The organisation has initially applied IFRS 9 from 1 January 2018. Due to the transition methods chosen by the organisation in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards.

IFRS 9 with effect from 1 January 2018, replaced IAS 39 Financial Instruments: Recognition and Measurement (IAS 39). IFRS 9 introduced new requirements which included an expected credit loss (ECL) impairment model and new requirements for the classification and measurement of financial assets. IFRS 9, adopted on 1 January 2018, impacted the Society's results upon transition. The impact to the Society's reserves on transition to IFRS 9 materially relates to the new classification and measurement requirements.

# COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

## FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

### NOTES (CONTINUED)

#### 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

##### IFRS 9 'FINANCIAL INSTRUMENTS' - CLASSIFICATION AND MEASUREMENT

IFRS 9 requires all financial assets to be classified and measured on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The adoption of IFRS 9 *Financial Instruments* from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognized in the financial statements. The new accounting policies are set out in notes below. In accordance with the transitional provisions in IFRS 9 (7.2.15) and (7.2.26), comparative figures have not been restated. Based on management assessment, IFRS 9 does not have an impact on the opening retained earnings.

On 1 January 2018 (the date of initial application of IFRS 9), the Society performed classification and measurement assessment to the financial assets held by the Society and has classified its financial instruments into the appropriate IFRS 9 categories. The assessment was performed by considering the business model that applies to the group of asset and whether the cash flow characteristics of the instrument represent solely payments of principal and interest). The main effects resulting from this reclassification are as follows:

	Measurement Category	IAS 39 Carrying amount TZS '000	Measurement Category	IFRS 9 Carrying amount TZS '000
<b>Financial assets</b>				
Cash at bank and in hand	<i>Loans and receivables</i>	13,595,267	Amortized costs	13,595,267
Trade and other receivables	<i>Loans and receivables</i>	1,586,845	Amortized costs	1,586,845
Trade and other payables	Amortized costs	3,103,647	Amortized costs	3,103,647
Borrowings	Amortized costs	6,688,928	Amortized costs	6,688,928

##### Trade receivables

These relate to receivables from customers for medical services rendered and medicines sold to patients in the ordinary course of business. As at 1 January 2018, these receivables meet the IFRS 9 criteria for classification at amortized costs because their cash flows represent solely payments of principal and interest and they are held for the purpose of collecting cash flows.

##### Other receivables

These relate to receivables arising from other activities not related to the ordinary course of the business. They include balances due from a related party (Kupona Foundation), reimbursements from development partners, National Social Security fund, National Health Insurance Fund and value of medical consumables advanced to programs implementation partners.

Details on cash and cash equivalents and borrowings are provided in notes 16 and 17 respectively.

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTES (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

IFRS 9 'FINANCIAL INSTRUMENTS' – IMPAIRMENT OF FINANCIAL ASSETS

ECL impairment requirements

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

Reconciliation of impairment allowance balance as at 1 January 2018 from IAS 39 to IFRS 9

Measurement category	Loss allowance under IAS 39	Reclassification	Remeasurement	Loss allowance under IFRS 9
	TZS '000	TZS '000	TZS '000	TZS '000
Loans and receivables (IAS 39)/ Financial assets at amortised cost (IFRS 9)	67,345	-	-	67,345
Other Receivables	2,836,809	-	-	2,836,809
<b>Total</b>	<b>2,904,154</b>	<b>-</b>	<b>-</b>	<b>2,904,154</b>

Management has carried out an impairment assessment in line with IFRS 9 requirements and has concluded that there was no impact on the date of initial application of the standard (i.e. 1 January 2018). Organisation for further information on impairment of financial assets, refer to note 3(a)(i).

Financial Assets

Classification and measurement

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Organisation becomes a party to the contractual provisions of the instrument.

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

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI or FVTPL. The classification depends on the business model applied and the cash flow characteristics of an asset.

**Business model:** The business model reflects how the Society manages the assets in order to generate cash flows. That is, whether the Society's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable, then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Society in determining the business model for assets include past experience on how the cash flows of these assets were collected, how the performance of the assets is evaluated and reported to key management personnel, the risks that affect the performance of the business model (and the financial assets within) and in particular, the way that those risks are managed; and how assets managers are compensated.

# COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### NOTES (CONTINUED)

#### 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

##### **Financial Assets (continued)**

**Cash flow characteristic of the asset:** Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Society assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the SPPI test). In making this assessment, The Society considers whether the contractual cash flows are consistent with a basic lending arrangement i.e interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– it is held within a business model whose objective is to hold assets to collect contractual cash flows; and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. The Society may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Society reclassifies its assets when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent.

##### Previous accounting policy for classification and measurement of financial assets

*Until 31 December 2017, CCBRT classified its receivables as non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are further 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.*

*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.*

##### Impairment

From 1 January 2018, the organisation assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost and Fair Value through Other Comprehensive income (FVOCI). The impairment methodology applied depends on whether there has been a significant increase in credit risk. All the organisation's financial assets are measured at amortised cost.

For trade receivables, the Society applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see notes on credit risk for further details.

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTES (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

**Financial Assets (continued)**

Previous accounting policy for impairment of trade receivables

*In the prior year, the Society used to assess, 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.*

**REVENUE FROM CONTRACT WITH CUSTOMERS 'IFRS 15'**

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. Under IFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

The organisation has adopted IFRS 15 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 January 2018). Accordingly, the information presented for 2017 has not been restated – i.e. it is presented, as previously reported, under IAS 18 and related interpretations. Additionally, the disclosure requirements in IFRS 15 have not generally been applied to comparative information.

Management performed an assessment of the IFRS 15 impact to the organisation and concluded that the standard did not have a significant impact on the amounts as of 1 January 2018. The Organisation's accounting policies have been updated to reflect IFRS 15 requirements. For additional information about the organisation's accounting policies relating to revenue recognition, see note 2(d).

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTES (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

REVENUE FROM CONTRACT WITH CUSTOMERS 'IFRS 15' (CONTINUED)

Revenue from contracts with customers

For the year ended 31 December

	2018 <u>TZS'000</u>	2017 <u>TZS'000</u>
Revenue from contracts with customers (at a point in time)		
Eye	5,741,674	4,842,473
Orthopaedic	1,031,459	715,759
Rehabilitation	295,701	303,828
Imaging	291,689	250,459
Laboratory	66,292	30,803
Pharmacy	1,217,936	1,214,726
Vesico-Vaginal Fistula	34,987	26,420
Ward & Nursing	167,254	201,452
Genealogy	5,335	-
Internal Medicine	575	-
Paediatric	2,710	-
Ears, Nose & Throat	363,185	289,098
Handcraft items	210,542	226,866
	<u>9,429,339</u>	<u>8,101,884</u>

Information about receivables from contracts with customers is provided in note 14. As at 31 December 2018, there was not unrecognised revenue presented as deferred liability.

No information is provided about remaining performance obligations at 31 December 2018 that have an original expected duration of one year or less, as allowed by IFRS 15.

**Revenue recognition**

The Organisation recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Organisation and when specific criteria have been met for each of the Organisation's activities as described below. The Organisation bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sales of medical services and/or medicines are recognised upon performance of medical services and/or delivery medicines to the customer (patient) who has accepted and thus obtained ability to benefit from the medical service(s) or medicines.

The effect of initially applying IFRS 15 on the organisation's revenue from contracts with customers is described in page 31.

Revenue is measured based on the consideration specified in a contract with a customer. The Organisation recognises revenue when it transfers control over a good or service to a customer and that customer has the capacity to use and obtain benefits from the good or service. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

# COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

## FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

### NOTES (CONTINUED)

#### 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

##### Revenue recognition (Continued)

Type of product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15 (applicable from 1 January 2018)	Revenue recognition under IAS 18 (applicable before 1 January 2018)
Medical services and medicines	Revenue is recognised upon performance of medical 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 Organisation. Moreover, the customer also has to accept and obtain the capacity to use and benefit from the medical services or medicines. Significant sales are made on credit terms only to insured patients of which subsequent settlements are made by respective insurance companies through CCBRT bankers. Other sales made in cash are subsequently deposited in banks.	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.	Revenue was recognised when medicine and/or services were delivered to the customers (patient), which was taken to be the point in time at which the customer accepted the medicines and/or services and the related risks and rewards of ownership transferred, provided that, it's probable that future economic benefits will flow to the entity and those benefits can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable.

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

##### IFRS 16 - Leases

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

The income statement will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change. Operating cash flows will be higher as cash payments for the principal portion of the lease liability are classified within financing activities. Only the part of the payments that reflects interest can continue to be presented as operating cash flows. The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The standard is effective for annual periods beginning on or after 1 January 2019.

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

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) **Donation 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 the form of consumable materials (in-kind) are classified as revenue grants.
- (ii) **Rendering of services:** Revenue is recognised upon performance of services or delivery of medicines when the amount can be reliably measured and it is probable that the future economic benefits will flow to the Society.
- (iii) **Interest income** is recognised on a time proportion basis using the effective interest method on an accrual basis.



# COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### NOTES (CONTINUED)

#### 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (e) Property and equipment

Property and equipment are initially recognised at cost. Buildings are subsequently measured at market value, based on valuations by external independent 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.

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:

<i>Asset class</i>	<b>Rate (%)</b>
Buildings	4
Tools and Machinery	12.5
Motor vehicles	25
Motorcycles and bicycles	25
Equipment	12.5
Furniture and Fittings	12.5
Computers	33.33

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

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

##### (f) Intangible assets

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

##### (g) Inventories

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

# COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### 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 2018

NOTES (CONTINUED)

**2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(i) Trade and other receivables**

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

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

**(j) Grant receivables**

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

**(k) Cash and cash equivalents**

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

**(l) Taxation**

*(i) Current income tax*

The Governing Board Members consider the 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 2018

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 or not transferred and such activities have not yet occurred.

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

**(o) Borrowings**

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

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

Borrowings are classified as current liabilities unless the 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 the 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 National Social Security Fund (NSSF) and Public Service Social Security Fund (PSSSF) which are defined contribution plans.

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018

### 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 the month of stock and the expected 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 2018

### NOTES (CONTINUED)

#### 4 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

##### Market risk (continued)

##### *(i) Foreign exchange risk (continued)*

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

As at 31 December 2018, 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 134 million lower/higher mainly as a result of foreign exchange gains/losses on translation of US dollar denominated payables, receivables and cash.

As at 31 December 2018, 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 4.9 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 Society to cash flow interest rate risk which is partially offset by cash held at variable rates. The Society regularly monitors financing options available to ensure optimum interest rates are obtained.

At 31 December 2018, an increase/decrease of 100 basis points would have resulted in a decrease/increase in post-tax loss of TZS 68.4 million (2017: 66.9 million).

##### Credit risk

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

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

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

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

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTES (CONTINUED)

4 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

*Credit risk (Continued)*

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

	<b>Trade and other receivables</b>	<b>Cash at bank</b>	<b>Total</b>
	TZS '000	TZS '000	TZS '000
<b>31 December 2018</b>	<u>4,497,647</u>	<u>7,792,799</u>	<u>12,290,446</u>
31 December 2017	<u>4,490,999</u>	<u>13,550,937</u>	<u>18,041,936</u>

Expected credit losses:

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

- Trade and other receivables
- Cash and cash equivalents

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

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

Bank balances

*There is no independent credit rating for banks operating in Tanzania. However, the Organisation banks with reputable multinational and local banks. In the view of the members, risk of non-performance by the counterparties is not significant. At 31 December 2018, the held at banks by type of counterparty was as follows. In August 2018, Bank M Tanzania Plc was put under the statutory management of Bank of Tanzania due to its critical liquidity problem. The assets and liability of Bank M Tanzania Plc was transferred to Azania Bank Limited. The window has been opened to access however over the period of 30 months.*

<u>Cash at bank</u>	<u>2018</u> TZS'000	<u>2017</u> TZS'000
Bank of Africa	6,206,730	1,1849,418
Azania Bank Limited	1,018,447	-
Bank M Tanzania Plc (Defunct )	-	976,707
NMB Bank Plc	418,745	-
NBC Bank Limited	128,064	671,686
Stanbic Bank	18,298	-
Barclays Bank Tanzania Limited	2,092	51,126
MIC Tigo Pesa	414	-
Vodacom M pesa	9	2,000
<b>Total cash at bank</b>	<u>7,792,799</u>	<u>13,550,937</u>



COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

NOTES (CONTINUED)

4 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

*Credit risk (Continued)*

At 31 December 2018, the exposure to credit risk for trade and other receivables was as follows:

	2018 TZS'000	2017 TZS'000
Trade receivables-gross	1,556,423	1,572,302
Other receivables-gross	<u>2,941,224</u>	<u>2,918,697</u>
	<u>4,497,647</u>	<u>4,490,999</u>

Trade and other receivables:

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

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

The Organisation has performed an impairment assessment for each receivable from medical insurance organisation individually by assessing the customer's ability to pay amount due on time considering internal information, external market information and borrowers' specific information. It was noted that of the total exposure as at 31 Dec 2018 of TZS 1,430 million a significant balance was settled subsequently to year end (that is, as of 31 March 2019) leaving an immaterial balance. Based on this analysis and other factors explained above, management is of the view that the level of impairment recognised as of 31 December 2018 is adequate.

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

Loss rates	Days Outstanding				
	0-45	45-90	90-135	135-180	180+
2016	9%	9%	17%	55%	99%
2017	4%	4%	11%	69%	71%
2018	8%	8%	16%	93%	93%

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

NOTES (CONTINUED)

4 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

*Credit risk (Continued)*

No impairment allowance was recognized in relation to other medical insurance companies as they settled the respective balances subsequent to year end. In addition, management based on historical experience in dealing with these counterparties the loss ratio is insignificant.

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

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

Counter party	Outstanding balance 31 December 2018 TZS "000"	Impairment losses 31 December 2018 TZS "000"	Amounts subsequently collected on outstanding balance TZS "000"	Outstanding balance 31 March 2019 TZS "000"
National Health Insurance Fund	1,177,099	91,594	1,188,937	-
AAR Insurance Tanzania	135,032	-	133,410	1,622
Strategis Insurance Tanzania	74,986	-	69,459	5,527
The Jubilee Insurance Company Tanzania	45,273	-	33,160	12,113
Resolution Health (East Africa Limited)	29,140	29,140	-	-
Other Health Insurance Providers	94,893	56,158	38,735	-
<b>Total(s)</b>	<b>1,556,423</b>	<b>176,892</b>	<b>1,463,701</b>	<b>19,262</b>

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

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

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

NOTES (CONTINUED)

4 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

*Credit risk (Continued)*

*Other receivables:*

These amounts generally arise from transactions outside the usual operating activities of the organisation. Management performed an impairment assessment on these balances by considering historical experience and concluded that the identified impairment loss was material (i.e. TZS 406 million) which was recognised accordingly. The balance of other receivables as at 31 December 2018 (which also reflects the maximum exposure to credit risk) is TZS 481 million (2017: TZS 488 million)

*Amounts due from related parties*

These relate to amounts due from Kupona Foundation (USA). Management performed an impairment assessment on these balances by considering the nature of parties relation, historical experiences in dealing with Kupona Foundation (USA) and concluded that the identified impairment loss was material i.e TZS 2,459 million which was recognised accordingly since the amount has been outstanding for more than 12 months, Further information on these balances is provided in notes on related parties).

**TRADE AND OTHER RECEIVABLES**

	<b>2018</b>	<b>2017</b>
	TZS'000	TZS'000
Trade receivables	<b>1,556,423</b>	1,572,302
Less: provision for impairment of trade receivables	<b>(176,892)</b>	(67,345)
Trade receivables – Net (a)	<u>1,379,531</u>	<u>1,504,957</u>
Amounts due from related parties [related parties notes]		
Kupona Foundation (USA) (b)	<b>2,459,385</b>	2,430,517
Other receivables (c)	<b>481,839</b>	488,212
Less: provision for impairment of other receivables (d)	<b>(2,836,809)</b>	(2,836,809)
Total trade and other receivables (e) = (a)+(b)+(c)+(d)	<u><b>1,483,946</b></u>	<u>1,586,813</u>
<i>Movement in the provision of receivables is as follows;</i>		
31 December – calculated under IAS 39	<b>2,904,154</b>	2,846,867
Amounts restated through opening retained earnings	-	-
1 January 2018 – calculated under IFRS 9	<b>2,904,154</b>	2,846,867
Charge of provision to profit or loss, net of write-off	<b>109,548</b>	57,287
At 31 December	<u><b>3,013,702</b></u>	<u>2,904,154</u>

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

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

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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. During 2018 Society has requested extension of bank borrowing grace period to July 2020.

	<b>Less than 1 year TZS '000</b>	<b>Between 1 and 5 years TZS '000</b>	<b>Over 5 years TZS '000</b>
<b>At 31 December 2018:</b>			
- trade and other payables (excluding statutory liabilities)	4,209,593	-	-
- interest on borrowings	340,705	783,107	-
- bank borrowings**	-	6,842,485	-
	<u>4,550,298</u>	<u>7,625,592</u>	<u>-</u>
<b>At 31 December 2017:</b>			
- trade and other payables (excluding statutory liabilities)	2,579,775	-	-
- interest on borrowings	355,234	967,753	16,357
- bank borrowings	268,490	5,565,671	854,767
	<u>3,203,499</u>	<u>6,533,424</u>	<u>871,124</u>

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

*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 2018 and 2017 were as follows:

	<b>2018 TZS'000</b>	<b>2017 TZS'000</b>
Total borrowings (Note 17)	6,842,485	6,688,928
Add: cash and cash equivalents deficit adjusted for donor funds	<u>1,761,047</u>	<u>3,174,714</u>
Net debt	8,603,532	9,863,641
Total reserves	<u>(784,574)</u>	<u>506,831</u>
Total capital	<u>7,818,958</u>	<u>10,370,472</u>
<b>Gearing ratio</b>	<u>110%</u>	<u>95%</u>

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NOTES (CONTINUED)

	<u>2018</u> TZS'000	<u>2017</u> TZS'000
<b>5 REVENUE</b>		
Grants-Donors (note 5(a))	<b>15,504,598</b>	16,797,347
In-Kind Donations (note 5(b))	<b>337,095</b>	647,961
Other Donations	<b>37,928</b>	34,391
Total grants and donations	<b>15,879,621</b>	17,479,699
Cost sharing from patients	<b>9,429,339</b>	8,101,884
<b>Total</b>	<b>25,308,960</b>	25,581,583
<b>(a) Grants-Donors</b>		
Danish International Development Agency (DANIDA)	<b>3,587,564</b>	3,512,500
Global Affairs Canada (GAC)	<b>3,021,884</b>	2,000,084
Christian Blind Mission (CBM)	<b>2,217,284</b>	2,630,010
Irish Aid	<b>1,872,565</b>	1,257,897
Fistula Foundation	<b>1,450,864</b>	451,022
Vodafone Foundation-USAID	<b>532,213</b>	2,287,000
Light for the World (Belgium Directorate General for Development Cooperation) (LftW-DGD)	<b>455,824</b>	493,756
Porticus	<b>408,122</b>	125,195
Johnson & Johnson (J & J)	<b>370,953</b>	357,926
Kupona Foundation	<b>283,664</b>	227,667
Wheelchair Support	<b>223,759</b>	-
WISE	<b>179,877</b>	-
Miraclefeet	<b>123,775</b>	-
MIC Tanzania Limited	<b>110,018</b>	103,786
LaVelle	<b>96,124</b>	61,547
Grand Challenges Canada	<b>88,483</b>	-
The Charitable Foundation	<b>87,277</b>	-
Other organisations and individuals	<b>79,944</b>	92,536
Vodacom Tanzania Foundation	<b>68,521</b>	32,725
CEFA	<b>65,960</b>	127,456
Laerdal Foundation	<b>53,015</b>	-
Fredskorpset (FK) Norway	<b>49,170</b>	-
Community Action for People with Disabilities in Africa (CAPDA)	<b>26,743</b>	22,367
Bona Officia	<b>26,410</b>	-
Special Fund for Disabled-International Committee of the Red Cross (SFD-ICRC)	<b>13,078</b>	195,398
Amref Health Africa UK	<b>10,645</b>	-
Latter Day Saints Humanitarian Services (LDS) Vision	<b>748</b>	-
Vicenza	<b>114</b>	1,550
Swiss Agency for Development and Cooperation (SDC)	<b>-</b>	1,439,337
Providing Comprehensive Treatment to Women with Fistula in Tanzania	<b>-</b>	719,371
Smile Train	<b>-</b>	300,974
Human Development Innovation Fund (HDIF)	<b>-</b>	180,070
Wonderwork	<b>-</b>	177,173
	<b>15,504,598</b>	16,797,347
<b>(b) Donation in kind</b>		
Other Donors-Medicines and other consumable materials	<b>101,090</b>	578,888
Government-Medicines and other consumable materials	<b>236,005</b>	69,073
	<b>337,095</b>	647,961

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NOTES (CONTINUED)

	<u>2018</u> TZS'000	<u>2017</u> TZS'000
<b>6 OTHER INCOME</b>		
Amortisation of capital grant (note 18)	1,430,421	1,161,239
Gain on disposal of Property plant and equipment	52,352	-
Other programme income	131,445	115,119
	<u>1,614,218</u>	<u>1,276,358</u>
<b>7 OPERATING COSTS</b>		
Employee benefit expenses (note 9)	16,689,403	18,470,723
Cost of consumables	2,859,667	2,993,584
Patients' subsidies and individual aid	897,362	1,006,041
Clearing and forwarding costs	89,078	69,914
Depreciation expenses (note 11)	1,735,604	1,272,687
Amortisation expense (note 12)	183,236	173,832
Training	549,886	752,349
Consultancy	926,181	912,120
Rent, premises and utility costs	575,627	578,739
Repairs and maintenance	593,869	881,920
Security charges	279,583	347,957
Audit fee – current year	306,255	272,773
Legal fee	37,049	59,298
Communication and advertisement	230,929	518,481
General and Administration expenses	1,368,200	406,389
Transport and motor vehicles expenses	324,683	407,098
Bad debts provision	533,954	461,850
Bank charges	65,467	83,573
Loss on disposal/ assets write-off	6,103	78,722
	<u>28,252,136</u>	<u>29,748,050</u>
<b>8 FINANCE INCOME AND COST</b>		
<b>a) Finance costs</b>		
Interest expense on bank loan	(260,125)	-
Net foreign exchange gain (losses)	4,152	(2,800,171)
	<u>(255,973)</u>	<u>(2,800,171)</u>
<b>b) Finance income</b>		
Interest income on call deposits	14,219	64,425
Net exchange gains on cash and cash equivalents	279,307	814,454
	<u>293,526</u>	<u>878,879</u>
<b>Net finance costs</b>	<u>37,553</u>	<u>(1,921,292)</u>
<b>9 EMPLOYEES BENEFIT EXPENSES</b>		
Salaries and wages	12,872,247	14,258,997
Social security funds	2,551,689	2,717,354
Other staff benefits	1,265,467	1,494,372
	<u>16,689,403</u>	<u>18,470,723</u>

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

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FOR THE YEAR ENDED 31 DECEMBER 2018

NOTES (CONTINUED)

	<u>2018</u> TZS'000	<u>2017</u> TZS'000
<b>10 INCOME TAX</b>		
Current tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>(a) Reconciliation of rate of tax</b>		
Loss before tax	<u>(1,291,405)</u>	<u>(4,811,401)</u>
Current tax on loss before tax at the statutory tax rate	<b>(387,422)</b>	(1,443,420)
Adjusted for:		
- Deductible expenditure not charged to P&L (i.e. 25% of charitable income)	<b>(1,909,555)</b>	(1,957,969)
- Assets written through revaluation reserves	<b>(33,201)</b>	(61,345)
- Unrecognised deferred tax assets	<u><b>2,330,178</b></u>	<u>3,462,734</u>
Income tax expenses	<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 44,169 million (2017: TZS 33,845 million). 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**

	<u>2018</u> TZS '000	<u>2017</u> TZS '000
<b>Deferred tax liabilities</b>	-	-
Property and equipment	<u>-</u>	<u>-</u>
<b>Restated Deferred tax assets</b>	<b>14,121,919</b>	11,791,741
Property and equipment	<b>(51,978)</b>	(73,199)
Estimated income tax losses	<b>13,250,897</b>	10,153,634
General provisions	<b>923,000</b>	1,711,306
Net potential deferred tax assets	<u><b>14,121,919</b></u>	<u>11,791,741</u>

As at 31 December 2018 there is a potential deferred income tax assets of TZS 14,122 million (2017: TZS 11,792 million) arising mainly on account of the estimated income 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)

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NOTES (CONTINUED)

11 PROPERTY AND EQUIPMENT

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

At 31 December 2018

Valuation	3,868,774	-	-	-	-	-	-	-	3,868,774
Cost	10,418,382	1,052,075	18,132	5,683,301	1,526,745	1,080,540	3,110,175	27,913,928	50,803,278
Accumulated depreciation	(1,627,570)	(1,052,075)	(18,132)	(3,364,069)	(1,150,236)	(674,767)	(671,023)	-	(8,557,872)
Net book value	12,659,586	-	-	2,319,232	376,509	405,773	2,439,152	27,913,928	46,114,180



COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

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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
<b>Year ended 31 December 2017</b>									
Opening net book value	3,609,653	69,905	-	2,055,022	245,129	567,960	969,408	29,255,715	36,772,792
Transfers to Intangible assets (Note 12)	-	-	-	-	-	-	7,488	(209,179)	(201,691)
Additions	-	-	-	174,782	16,101	6,775	937,837	7,670,542	8,806,037
Depreciation charge	(284,501)	(52,160)	-	(459,920)	(141,621)	(119,310)	(215,175)	-	(1,272,687)
Disposals and write-off									
- Cost	(160,278)	-	-	(155,396)	(6,810)	(42,912)	-	-	(365,396)
- Accumulated depreciation	41,885	-	-	114,120	6,810	37,578	-	-	200,393
<b>Closing net book value</b>	<b>3,206,579</b>	<b>17,745</b>	<b>-</b>	<b>1,728,608</b>	<b>119,609</b>	<b>450,091</b>	<b>1,699,558</b>	<b>36,717,078</b>	<b>43,939,448</b>

At 31 December 2017

Valuation	3,868,774	-	-	-	-	-	-	-	3,868,774
Cost	390,029	1,314,219	18,132	4,908,112	1,116,637	1,012,574	2,053,325	36,717,078	47,530,106
Accumulated depreciation	(1,052,044)	(1,296,474)	(18,132)	(3,179,504)	(997,028)	(562,483)	(353,767)	-	(7,459,432)
Net book value	3,206,759	17,745	-	1,728,608	119,609	450,091	1,699,558	36,717,078	43,939,448

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS  
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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 their hospital activities which are charitable in nature.

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

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NOTES (CONTINUED)

	<u>2018</u>	<u>2017</u>
	TZS'000	TZS'000
<b>12 INTANGIBLE ASSETS</b>		
At start of year	392,474	359,351
Addition during the year	86,625	5,264
Transfer from capital work in progress	-	201,691
Amortisation charge (note 8)	<u>(183,236)</u>	<u>(173,832)</u>
<b>At end of year</b>	<b><u>295,863</u></b>	<b><u>392,474</u></b>
<b>13 INVENTORIES</b>		
Consumables	892,960	1,091,180
Medicine	417,321	432,036
Optical Devices and Consumables	418,943	343,194
Rehabilitative material	532,098	472,625
Office Stationery and Consumables	<u>45,145</u>	<u>35,439</u>
	<b><u>2,306,467</u></b>	<b><u>2,374,474</u></b>
<b>14 ACCOUNTS RECEIVABLE</b>		
Trade receivables	1,556,423	1,572,302
Less: provision for impairment losses	<u>(176,892)</u>	<u>(67,345)</u>
Trade receivables – net	1,379,531	1,504,957
Prepayments	274,808	457,721
Due from a related party (note 22)	2,459,385	2,430,517
Advances and imprest balances	217,100	261,985
Other receivables	481,839	488,212
Impairment provision for other receivables	<u>(2,836,809)</u>	<u>(2,836,809)</u>
	<b><u>1,975,854</u></b>	<b><u>2,306,519</u></b>

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

<u>Currency</u>		
Tanzanian Shillings	1,780,847	1,880,301
Euros	195,007	30,253
United States Dollar	-	395,965
	<b><u>1,975,854</u></b>	<b><u>2,306,519</u></b>

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

At start of year	67,345	236,134
Charge to profit and loss (Note 8)	533,954	350,348
Write offs	<u>(424,407)</u>	<u>(519,137)</u>
At end of year	<b><u>176,892</u></b>	<b><u>67,345</u></b>

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

At start of year	2,836,809	2,725,307
Charge to profit and loss (Note 8)	-	111,502
At end of year	<b><u>2,836,809</u></b>	<b><u>2,836,809</u></b>

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

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NOTES (CONTINUED)

15 GRANTS RECEIVABLE

Year ended 31 December 2018

	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 ‘000	TZS ‘000	TZS ‘000
DANIDA	DKK	15,000	-	5,000	10,000	242	2,417,622	2,417,622	-
Vodafone USAID	USD	1,886	-	766	1,120	2,281	2,554,424	2,554,424	-
Elma Foundation	USD	1,375	-	-	1,375	2,281	3,136,692	-	3,136,692
KfW	EUR	4,369	-	244	4,125	2,615	10,787,614	-	10,787,614
EHfK	EUR	2,154	-	-	2,154	2,615	5,633,966	-	5,633,966
CBM Germany	EUR	246	-	-	246	2,615	644,413	644,413	-
MIC Tanzania Limited	TZS	-	220,000	110,000	110,000	1	110,000	110,000	-
CBM 3736	EUR	-	603	460	143	2,615	373,656	373,656	-
SDC 2	USD	190	-	190	-	2,281	-	-	-
CBM-3735	TZS	-	575,523	396,883	178,640	1	178,640	178,640	-
LFTW	EUR	591	(12)	149	430	2,615	1,123,076	1,123,076	-
CBM 3833	USD	-	111	111	-	2,281	-	-	-
J & J	TZS	2,850	-	2,850	-	1	-	-	-
WISE	USD	-	516	189	327	2,281	745,866	745,866	-
DFATD/GAC	CAD	500	-	-	500	1,750	875,172	875,172	-
CBM 3133	TZS	7,600	-	7,600	-	1	-	-	-
LDS	TZS	-	33,261	33,261	-	-	-	-	-
CAPDA	USD	-	12	12	-	-	-	-	-
<b>Subtotal carried forward (page 51)</b>							<b>28,581,141</b>	<b>9,022,869</b>	<b>19,558,272</b>

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTES (CONTINUED)

15 GRANTS RECEIVABLE (CONTINUED)

Year ended 31 December 2018 (continued)

	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 ‘000	TZS ‘000	TZS ‘000
<b>Subtotal brought forward (page 50)</b>						<b>28,581,141</b>	<b>9,022,869</b>	<b>19,558,272</b>
Fistula Foundation	-	563	386	177	2,281	404,663	404,663	-
Irish Aid	-	700	700	-	2,615	-	-	-
Kuopona Foundation	20	91	73	38	2,281	86,392	86,392	-
Vodafone Foundation	350	-	-	350	2,281	798,431	798,431	-
Grand Challenges Canada	-	80	53	27	2,281	59,682	59,682	-
CEFA	-	73	16	57	2,615	149,130	149,130	-
VICENZA	-	14	14	-	2,615	-	-	-
UNFPA	23,054	-	-	23,054	1	23,054	23,054	-
Wild Ganzen	-	30	30	-	2,615	65	65	-
MiracleFeet	11	95	55	51	2,281	115,103	115,103	-
Rotary	-	300	150	150	2,281	342,185	342,185	-
J&J	-	157	157	-	2,281	-	-	-
Vodacom Tanzania Foundation	-	150,000	150,000	-	1	-	-	-
<b>Total grants receivable</b>						<b>30,559,846</b>	<b>11,001,574</b>	<b>19,558,272</b>

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTES (CONTINUED)

15 GRANTS RECEIVABLE (CONTINUED)

Year ended 31 December 2017

	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 '000	Current grants receivable G TZS '000	Non-current grants receivable H=F-G TZS '000
DANIDA	DKK	30,039	(39)	15,000	15,000	271	4,069,856	1,500,000	2,569,856
Vodafone Foundation-									
USAID	USD	1,894	(8)	-	1,886	2,230	4,205,664	2,482,084	1,723,580
Elma	USD	1,375	-	-	1,375	2,230	3,066,299	-	3,066,299
KfW	EUR	4,835	-	466	4,369	2,653	11,589,469	1,220,571	10,368,898
EHfK	EUR	2,154	-	-	2,154	2,653	5,715,074	-	5,715,074
CBM Germany	EUR	247	-	-	247	2,653	653,691	150,000	503,691
MIC Tanzania Limited	USD	50	-	50	-	2,230	-	-	-
HDIF/DFID	GBP	84	(2)	82	-	2,991	-	-	-
SDC 2	USD	190	-	-	190	2,230	423,707	423,707	-
Global Affairs Canada (GAC)	CAD	3,180	-	2,680	500	1,750	875,172	875,172	-
NIA Technologies	USD	17	(6)	11	-	2,230	-	-	-
UNFPA (2017)	TZS	23,054	-	-	23,054	1	23,054	23,054	-
CBM 3i33	TZS	25,093	305,107	322,600	7,600	1	7,600	7,600	-
<b>Subtotal carried forward (page 53)</b>							<b>30,629,586</b>	<b>6,682,188</b>	<b>23,947,398</b>

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTES (CONTINUED)

15 GRANTS RECEIVABLE (CONTINUED)

Year ended 31 December 2017 (continued)

	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 '000	Current grants receivable G TZS '000	Non-current grants receivable H=F-G TZS '000
<b>Subtotal brought forward (page 52)</b>									
	EUR	-	1,335	1,335	-	271	30,629,586	6,682,188	23,947,398
CBM 1941	USD	45	-	45	-	2,230	-	-	-
CBM-SIB	USD	-	170	150	20	2,230	44,070	44,070	-
Kupona Foundation	USD	-	500	150	350	2,230	782,194	537,001	245,193
Vodafone Foundation	USD	-	31	20	11	2,230	25,110	25,110	-
Miracle Feet	USD	274	(274)	-	-	2,230	-	-	-
USAID	TZS	38,086	-	38,086	-	1	-	-	-
VICENZA	EUR	3	791	203	591	2,653	1,579,325	346,930	1,232,395
LFTW	USD	3	(3)	-	-	2,230	-	-	-
FIGO	TZS	-	2,850	-	2,850	1	2,850	2,850	-
J&J									
<b>Total grants receivable</b>							<b>33,063,135</b>	<b>7,638,149</b>	<b>25,424,986</b>

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTES (CONTINUED)

	<b>2018</b>	<b>2017</b>
	<b>TZS'000</b>	<b>TZS'000</b>
<b>16 CASH AND CASH EQUIVALENTS</b>		
Cash at bank	7,792,799	13,550,937
Cash in-hand	<u>46,604</u>	<u>44,330</u>
	<u><b>7,839,403</b></u>	<u><b>13,595,267</b></u>
<b>17 BORROWINGS</b>		
Bank borrowings	<u><b>6,842,485</b></u>	<u><b>6,688,928</b></u>
<b>Classified as:</b>		
Non-current	<b>6,842,485</b>	6,420,438
Current	-	268,490

Bank borrowings comprise of a secured USD 3 million long-term bank loan taken to finance the construction of the new CCBRT Private Clinic. The loan is secured by a legal mortgage over a portion of landed property described under Certificate of Title No. 47430, Plot No. 1409/1, Msasani Area in Kinondoni Municipality, Dar es Salaam and a mortgage guarantee valued at TZS 4,097 million. The property is in the name of the Registered Trustees of Comprehensive Community-Based Rehabilitation in Tanzania. The Trustees have granted the 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 loan is payable in equal instalments over the loan period, after a two-year repayment grace period during which time only interest is paid on a monthly basis.

As at 31 December 2018, USD 3 million (equivalent to TZS 6,842 million) was drawn down as per agreement. Under revised terms the first principal payment will be made in July 2020.

**18 CAPITAL GRANT**

	<b>2018</b>	<b>2017</b>
	<b>TZS'000</b>	<b>TZS'000</b>
At start of year	<b>34,514,467</b>	30,954,419
Additions	<b>3,173,803</b>	4,721,287
Amortisation charge (note 6)	<b>(1,430,421)</b>	(1,161,239)
Transfer from capital work in progress (note 11)	<u><b>(134,755)</b></u>	<u>-</u>
At end of year	<u><b>36,123,094</b></u>	<u><b>34,514,467</b></u>



COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTES (CONTINUED)

19 DEFERRED INCOME GRANTS

Year ended 31 December 2018	Currency	Opening commitment in currency	A "000"	New commitment in currency	B "000"	Capital expenditure in currency	C "000"	Operating expenditure in currency	D "000"	Reserve / (refund) in currency	E "000"	Deferred income grant in currency F=A+B-C- D +/- E "000"	TZS/ Currency	G	Deferred income grants in TZS	H = F*G TZS '000
Vodafone Foundation- USAID	USD	2,304		-		-		29		-		2,275	2,281		5,188,756	
Elma	USD	1,369		-		-		-		-		1,369	2,281		3,122,422	
MIC Tanzania Limited	TZS	-		220,000		-		110,018		-		109,982	1		109,982	
KfW	EUR	6,151		-		314		18		-		5,819	2,615		15,217,117	
EHfK	EUR	2,279		-		-		-		-		2,279	2,615		5,959,896	
CBM Germany	EUR	477		-		26		7		-		444	2,615		1,160,372	
Vodafone Foundation	USD	500		-		-		205		-		295	2,281		671,894	
J&J Mabinti (2017)	USD	31		-		-		31		-		180	2,281		-	
Fistula Foundation19	USD	-		180		-		-		-		180	2,281		410,622	
Dorothea Haus Ross Foundation	USD	-		39		-		20		-		19	2,281		43,758	
CBM Switzerland	USD	40		-		-		-		-		40	2,281		90,415	
CBM P-3735	TZS	-		575,523		-		571,728		-		3,795	1		3,795	
Vodacom Tanzania Foundation	TZS	-		150,000		-		68,521		-		81,479	1		81,479	
DANIDA	DKK	24,708		-		-		10,001		-		14,707	350		5,149,838	
LaVelle Phase 2	USD	73		-		-		43		-		30	2,281		68,895	
FK 2013-2014	EUR	3		-		-		-		(3)		-	2,615		-	
ICRC - Support for Rehabilitation Services																
CCBRT	USD	5		6		-		10		(1)		-	2,281		-	
<b>Subtotal carried forward (page 56)</b>															<b>37,279,241</b>	

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTES (CONTINUED)

19 DEFERRED INCOME GRANTS (CONTINUED)

Year ended 31 December 2018 (continued)

	Currency	Opening commitment in currency	A "000"	New commitment in currency	B "000"	Capital expenditure in currency	C "000"	Operating expenditure in currency	D "000"	Reserve / (refund) in currency	E "000"	Deferred income grant in currency F=A+B-C- D +/- E "000"	TZS/ Currency	G	Deferred income grants in TZS H = F*G TZS '000
<b>Subtotal brought forward (page 55)</b>															
VICENZA	TZS	3,332		34,468		-		37,251		(549)		-	1		-
J&J Mabinti 2018	USD	-		78		-		-		-		6	2,281		13,346
J&J obstetric fistula treatment	USD	-		79		-		11		-		68	2,281		154,024
DFITD(GAC)	CAD	2,750		-		237		1,729		-		784	1,677		1,314,965
CAPDA WRA	USD	-		5		-		5		-		-	2,281		-
CAPDA	USD	-		8		-		8		-		-	2,281		-
CBM 3536	EUR	306		603		232		524		-		153	2,615		399,803
Irish Aid	EUR	-		700		-		700		-		-	2,615		-
LfW - B DGD	EUR	595		-		-		171		-		424	2,615		1,109,593
235.1-LFTW DGD	EUR	12		(12)		-		-		-		-	2,615		-
WATSI	USD	4		(4)		-		-		-		-	2,281		-
Porticus - Changing Lives, Changing Communities 500 Miles	EUR	152		-		-		152		-		-	2,615		-
Wheelchair Support	USD	-		-		-		-		-		-	2,281		-
MiracleFeet	TZS	29,340		202,008		-		223,759		-		7,589	1		7,589
	USD	28		95		2		55		-		66	2,281		150,227
<b>Subtotal carried forward (page 57)</b>															<b>40,428,788</b>

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTES (CONTINUED)

19 DEFERRED INCOME GRANTS (CONTINUED)

Year ended 31 December 2018 (continued)

	Opening commitment in currency	A	B	C	D	E	Deferred income grant in currency	Deferred income grants in TZS
Currency	in currency	“000”	“000”	“000”	“000”	“000”	F=A+B-C- D +/- E “000”	G
			New commitment in currency	Capital expenditure in currency	Operating expenditure in currency	Reserve / (refund) in currency		TZS/ Currency
Wise	USD	-	516	-	80	-	436	2,281
Grand Challenges Canada	USD	-	80	-	39	-	41	2,281
192 - CBM 3833	USD	-	111	-	105	-	6	2,281
The Charitable Foundation (TCF)	USD	-	500	265	38	-	197	2,281
Laerdal Foundation	USD	-	50	-	-	-	50	2,281
Laerdal Foundation	USD	-	50	-	24	-	26	2,281
Bona Officia	EUR	-	10	-	10	-	-	2,615
CEFA	EUR	9	73	-	24	-	58	2,615
Wilde Ganzen Foundation	EUR	-	30	-	-	-	30	2,615
Amref Health Africa UK	TZS	-	10,794	-	10,794	-	-	1
J&J Fistula (2017)	USD	35	-	9	26	-	-	2,281
Rotary Fund	USD	-	300	166	-	-	134	2,281
LDS Vision	USD	-	90	90	-	-	-	2,281
CCBRT Donation	TZS	5,993	28,980	-	34,973	-	-	1
<b>Grand Total</b>								
<b>Grand Total</b>								

Grand Total

42,685,236

Current

19,130,901

Non-Current

23,554,335

(57)

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTES (CONTINUED)

19 DEFERRED INCOME GRANTS (CONTINUED)

Year ended 31 December 2017

	Currency	Opening commitment in currency	A "000"	New commitment in currency	B "000"	Capital expenditure in currency	C "000"	Operating expenditure in currency	D "000"	Reserve / (refund) in currency	E "000"	Deferred income grant in currency F=A+B-C- D +/- E "000"	TZS/ Currency	G	Deferred income grants in TZS H = F*G TZS '000
Vodafone Foundation-															
USAID	USD	3,600		(8)	91	1,196						2,304	2,230		5,138,535
Elma	USD	1,369		-	-	-						1,369	2,230		3,052,348
TIGO	USD	42		-	-	47				(4)		-	2,230		-
KfW	EUR	6,612		-	460	-						6,152	2,653		16,317,766
EHFk	EUR	2,204		75	-	-						2,279	2,653		6,045,696
CBM Germany	EUR	536		-	51	8						477	2,653		1,265,452
500 Miles	USD	1		-	-	1						0.3	2,230		82
USAID Child Eye Health	USD	274		(274)	-	-						-	2,230		-
CBM 1941	EUR	376		1,335	774	632						305	2,653		811,082
Porticus	EUR	53		150	1	50						152	2,653		403,674
LftW – B DGD	EUR	1		703	-	110						594	2,653		1,577,598
LftW – DGD Expense	EUR	-		12	-	-						12	2,653		32,947
CBM 3133	TZS	58,844		270,893	-	330,213				(476)		-	1		-
NIA Technologies	USD	21		(6)	-	10						5	2,230		13,008
SDC 2	USD	675		-	30	645						-	2,230		-
Kupona Fundraising	USD	16		82	-	78						20	2,230		45,004
Kupona Family Planning	USD	31		13	-	24						20	2,230		43,643
<b>Subtotal carried forward (page 59)</b>															<b>34,746,835</b>

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTES (CONTINUED)

19 DEFERRED INCOME GRANTS (CONTINUED)

Year ended 31 December 2017 (continued)

	Currency	Opening commitment in currency	A "000"	New commitment in currency	B "000"	Capital expenditure in currency	C "000"	Operating expenditure in currency	D "000"	Reserve / (refund) in currency	E "000"	Deferred income grant in currency F=A+B-C- D +/- E "000"	TZS/ Currency	G	Deferred income grants in TZS H = F*G TZS '000
<b>Subtotal brought forward (page 58)</b>															
Global Affairs Canada (GAC)	CAD	3,943		-		31		1,162		-		2,750	1,767		4,859,615
GRM – HDIF	GBP	41		(8)		21		63		(51)		-	2,991		-
Wonderwork	USD	-		85		2		79		-		4	2,230		8,657
CBM Switzerland	USD	40		-		-		-		-		40	2,230		88,386
SFD – ICRC	USD	6		86		-		88		-		4	2,230		10,433
VICENZA	TZS	33,497		-		-		30,165		-		3,332	1		3,332
J&J Kupona-Training Centre	USD	80		-		-		13		-		67	2,230		149,522
J&J Kupona-Mabinti Centre	USD	30		70		3		66		0		31	2,230		68,581
J&J Kupona-Fistula	USD	61		-		-		59		-		2	2,230		4,104
CBM Canada – Italy	TZS	3		687,678		490		687,191		-		-	1		-
DANIDA	DKK	30,076		-		-		10,322		(46)		24,708	358		8,834,368
<b>Subtotal carried forward (page 60)</b>															<b>48,773,833</b>

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTES (CONTINUED)

19 DEFERRED INCOME GRANTS (CONTINUED)

Year ended 31 December 2017 (continued)

	Opening commitment in currency	A	B	C	D	E	Deferred income grant in currency	TZS/ Currency	Deferred income grants in TZS
	Currency	"000"	"000"	"000"	"000"	"000"	F=A+B-C D +/- E "000"	G	H = F*G TZS '000
<b>Subtotal brought forward (page 59)</b>									<b>48,773,833</b>
Providing Comprehensive Treatment to women with fistula in Tanzania	USD	-	540	-	323	-	217	2,230	484,270
FF – Salary Support 2017	USD	-	205	-	202	-	3	2,230	5,825
LaVelle	USD	-	2	-	2	-	-	2,230	-
LaVelle Phase 2	USD	-	289	189	27	-	73	2,230	162,045
CBM ReH	USD	-	4	-	4	-	-	2,230	-
LFTW Donations	EUR	-	86	-	87	(1)	-	2,653	-
WATSI	USD	-	4	-	-	-	4	2,230	8,576
Wheelchair Support	TZS	-	29,340	-	-	-	29,340	1	29,340
Smile Donor Bench	USD	-	2	-	1.9	-	0.1	2,230	249
Interteam	TZS	-	12,800	-	12,000	-	800	1	800
CEFA	EUR	-	60	-	51	-	9	2,653	24,390
J&J Fistula (2018)	USD	-	72	-	37	-	35	2,230	77,501
Rotary	USD	-	300	300	-	-	-	2,230	-
CCBRT Donation	TZS	-	59,514	2,330	51,192	-	5,993	1	5,993
<b>Subtotal carried forward (page 61)</b>									<b>49,572,822</b>

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTES (CONTINUED)

19 DEFERRED INCOME GRANTS (CONTINUED)

Year ended 31 December 2017 (continued)

	A	B	C	D	E	F=A+B-C-	G	H = F*G
	Opening commitment in currency	New commitment in currency	Capital expenditure in currency	Operating expenditure in currency	Reserve/ (refund) in currency	Deferred income grant in currency	TZS/ Currency	Deferred income grants in TZS
	"000"	"000"	"000"	"000"	"000"	"000"		TZS '000
<b>Subtotal brought forward (page 60)</b>								
Vodafone Foundation	USD -	500	-	-	-	500	2,230	1,114,895
Irish Aid	EUR -	500	-	500	-	-	2,653	-
Capda WRA	USD -	3	-	3	-	0	2,230	87
Vodacom Tanzania	TZS -	100,000	-	100,000	-	-	1	-
Miracle feet	USD -	31	-	3	-	28	2,230	62,897
Capda	USD -	7	-	7	-	-	2,230	-
Smile Train – Transport	USD -	5	-	4.9	-	0.1	2,230	188
Smile Train – Training & Capacity Building	USD 11	-	-	2	-	9	2,230	20,974
Smile Train – Cleft	USD -	6	-	5	-	1	2,230	1,773
Awareness raising	USD 34	120	-	120	-	34	2,230	75,236
Smile Train – DH	USD -	2	-	1.9	-	0.1	2,230	177
Smile Train – Anaesthesia Training	USD 3	-	-	-	-	3	2,653	8,395
FK Norway	EUR 5	(5)	-	-	-	-	2,230	-
FK Norway	USD 35,043	(35,043)	-	-	-	-	1	-
Government of Tanzania	TZS							
<b>Grand Total</b>								<b>50,857,444</b>

Current

21,304,231

Non-Current

29,553,213

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS  
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NOTES (CONTINUED)

		<u>2018</u>	<u>2017</u>
		TZS'000	TZS'000
<b>20</b>	<b>TRADE AND OTHER PAYABLES</b>		
	Trade payables	2,997,167	1,905,503
	Staff related liabilities	708,166	174,706
	Accruals	270,877	264,836
	Statutory liabilities	15,778	523,872
	Advance payments-costs sharing from patients	<u>233,384</u>	<u>234,730</u>
		<u>4,225,372</u>	<u>3,103,647</u>
<b>21</b>	<b>CAPITAL COMMITMENTS</b>		
	The capital commitment relates to the construction of Maternity and Newborn Hospital.		
	Capital expenditure committed not contracted for	25,459,806	26,681,262
	Capital expenditure committed and contracted for	-	2,200,845
		<u>25,459,806</u>	<u>28,882,107</u>
<b>22</b>	<b>RELATED PARTY TRANSACTION AND BALANCES</b>		
	Related party relationships exist between the Society, its fundraising partners and other organisations under common directorship. Transactions with related parties are as follows:		
		<u>2018</u>	<u>2017</u>
		TZS'000	TZS'000
	<b>(a) Funds received during the year</b>		
	Fundraising partner (Kupona Foundation)	<u>1,481,397</u>	<u>3,167,093</u>
	<b>(b) Purchase of services</b>		
	Advance on operating costs-Fundraising partner (Kupona Foundation)	-	111,502
	Right over land use (CCBRT Trust)	<u>585</u>	<u>585</u>
	<b>(c) Due from a related party (Note 14)</b>		
	Fundraising partner (Kupona Foundation)	<u>2,459,385</u>	<u>2,430,517</u>
	<b>(d) Key management remuneration</b>		
	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:		
	<b>Short term employee benefits</b>		
		<u>2018</u>	<u>2017</u>
		TZS'000	TZS'000
	Salaries	1,537,708	2,521,923
	Other short term benefits	<u>1,339,939</u>	<u>1,551,258</u>
		<u>2,877,647</u>	<u>4,073,181</u>
<b>23</b>	<b>ULTIMATE HOLDING ENTITY</b>		
	On 22 May 2018, Comprehensive Community Based Rehabilitation in Tanzania (CCBRT) was issued with a Certificate of Compliance with terms and conditions of NGOs under Non-Governmental Organisation Act, 2002. Prior to that, CCBRT was registered as a Society under the Societies Ordinance, 1954, CAP 337 R.E 2002. CCBRT is under the stewardship of the Governing Board Members.		