

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

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

ORGANISATION INFORMATION

PRINCIPLE PLACE OF BUSINESS

Comprehensive Community Based Rehabilitation in Tanzania (CCBRT)
Msasani Village
Kimweri Road
P.O. 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 Number 00002071, which certify that CCBRT has duly complied with the terms and conditions of NGO under the Non-Governmental Organisation Act, 2002. According to section 11(4) of Non-Governmental organizations Act, No 24 of 2002, "a certificate of compliance shall be issued upon satisfaction by each of such Non-Governmental organization of the terms and condition under this Act and shall have similar effect as certificate of registration issued under this Act."

BANKERS

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

Absa (T) Limited
Absa House
Ohio Street
P.O. Box 5137
Dar es Salaam, Tanzania

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

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

CRDB BANK
Msasani Branch
P.O. Box 106263
Dar es Salaam
Tanzania, Tanzania

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

ORGANISATION INFORMATION (CONTINUED)

AUDITOR

KPMG
2nd Floor, The Luminary
Haile Selassie Road, Masaki
P. O. Box 1160
Dar es Salaam, Tanzania
TIN 101-269-027
PF Number 020

SOLICITORS

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

Association of Tanzania Employers (ATE)
Plot No. 692
Coca cola Road, Mikocheni B.
P.O. Box 2971
Dar es Salaam, Tanzania

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

1. INTRODUCTION

The Board of Directors of CCBRT has pleasure to submit the Annual Report and Financial Statements for the year ended 31 December 2021, which disclose the state of affairs of CCBRT for the financial year 2021.

2. ESTABLISHMENT

The Comprehensive Community-Based Rehabilitation in Tanzania (CCBRT) is a locally registered non-governmental organisation established in 1994.

3. VISION

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

4. MISSION

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

5. CORE VALUES

On its course to attain its vision, CCBRT staff observe and adhere to the followings core values:-

- (i) Trust & Respect
- (ii) Commitment
- (iii) Professionalism
- (iv) Teamwork
- (v) Innovation

6. PRINCIPAL ACTIVITIES

Since its establishment, CCBRT has grown to become the largest rehabilitation and disability service provider in Tanzania through its ophthalmology, orthopaedic and rehabilitation, plastic and reconstructive surgery, and maternal and new-born health services. CCBRT operates the country's largest obstetric fistula programme and leads in cleft lip/palate and clubfoot treatments. In 2020, 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 new-born healthcare through primary, secondary and tertiary prevention. To help prevent and facilitate early identification of disability, and improve maternal and new-born healthcare, and thereby reduce maternal and neonatal mortality, the construction of CCBRT's purpose built maternity wing was completed in 2020. In close partnership with the Government of Tanzania's Dar es Salaam Regional Health Management Team, CCBRT continued strengthening the referral system and building the capacity of maternal and new-born healthcare service delivery at 23 existing public facilities in the Dar es Salaam region.

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

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

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

6. PRINCIPAL ACTIVITIES (CONTINUED)

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.

7. STRATEGIC OBJECTIVES OF CCBRT

CCBRT has five strategic objectives as follows: -

- (i) A highly engaged and performing workforce;
- (ii) A safe hospital providing appropriate and successful treatment in line with international standards;
- (iii) All clients are treated with privacy, dignity and respect and receive the right services at the right place;
- (iv) A culture of continuous improvement with a focus on learning and innovation; and
- (v) A financially sustainable social enterprise.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

8. FINANCIAL PERFORMANCE

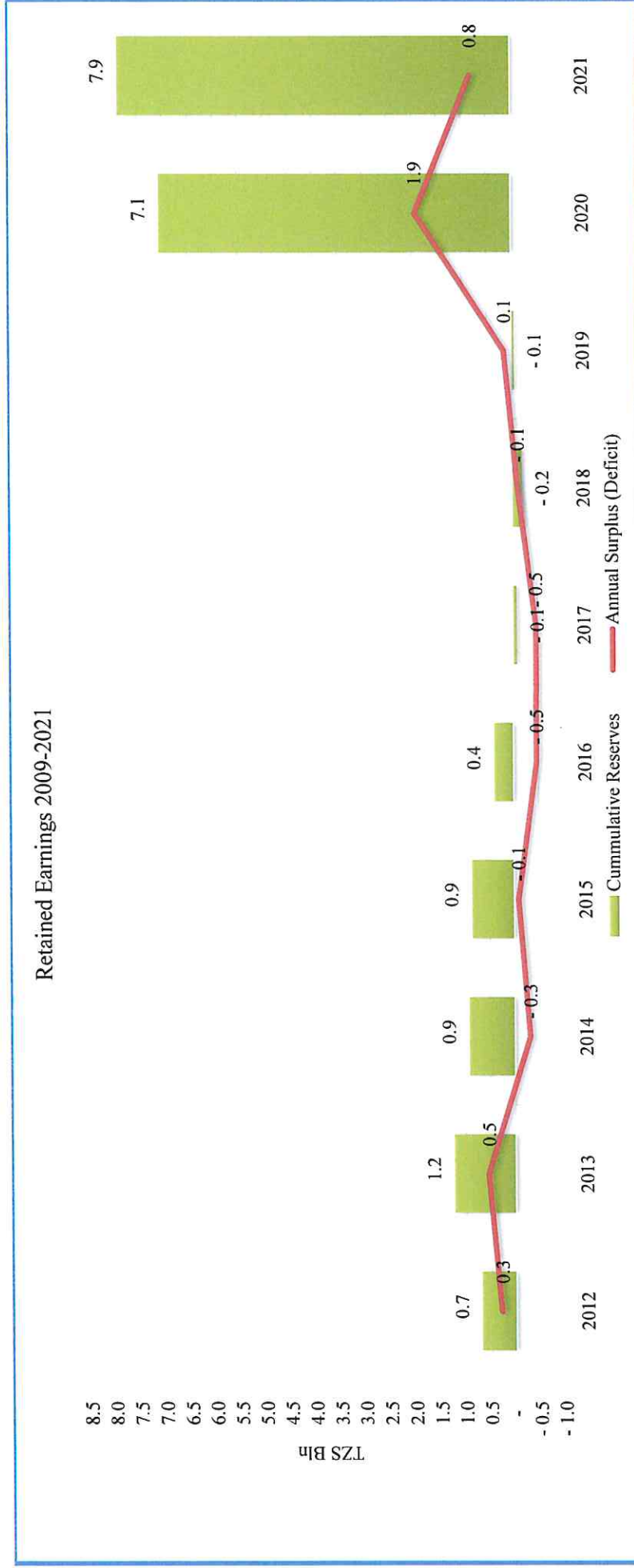


Note: CCBRT has fully adopted International Public Sector Accounting Standards (IPSAS) effective from 1 January 2021, subsequently, the prior year numbers have been adjusted where necessary for comparison purposes. Income and expenses as reported in 2020 were TZS 25.7 billion and TZS 24.4 billion. Major adjustments are on the recognition of the revenue from non-exchange transactions, refer to Note 28 on the effects of first time adoptions of IPSAS.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

8. FINANCIAL PERFORMANCE (CONTINUED)

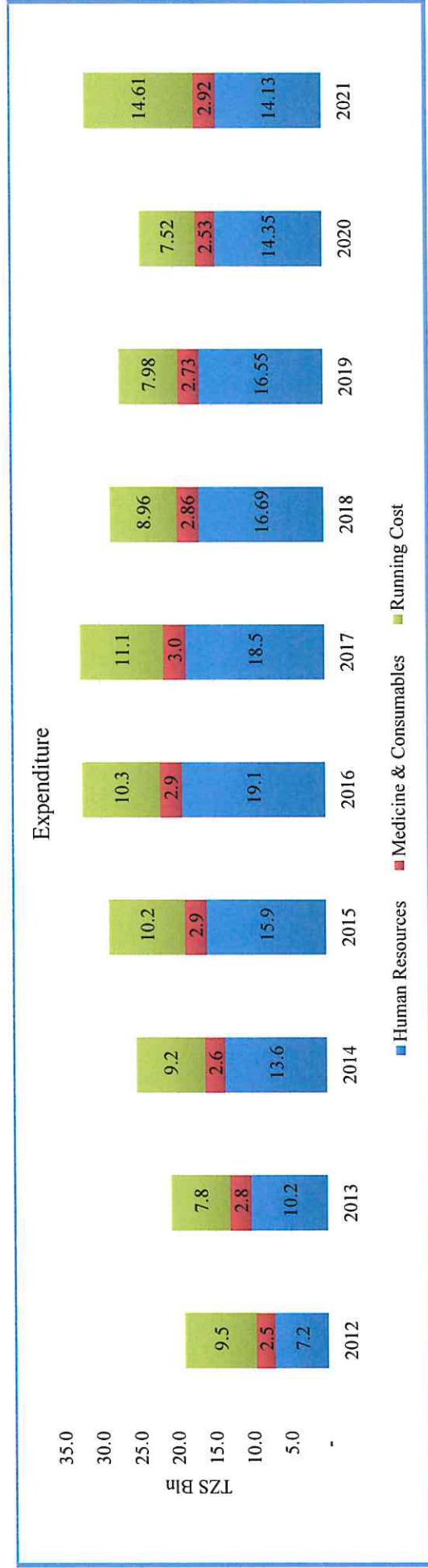


Note: CCBRT has fully adopted International Public Sector Accounting Standards (IPSAS) effective from 1 January 2021, subsequently, the prior year numbers and retained earnings have been adjusted. Cumulative Reserves and Annual Surplus for year 2020 were TZS 25.7 billion and TZS 24.4 billion. For more details, refer to Note 28 on the effects of adoptions of IPSAS.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

**GOVERNING BOARD MEMBERS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)**

8. FINANCIAL PERFORMANCE (CONTINUED)



COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

9. SERVICE DELIVERY PERFORMAMCE

General statistics	2020	2021			
	Total	CCBRT			
		Standards	Private	Rural facilities /outreach	Total
PATIENTS SERVED					
ALL Patients served	96,500	83,715	27,215	2,229	113,159
NEW Patients served	45,777	32,056	6,877	1,020	39,953
Subsidized Patients served (Patients received services from standard)	70,606	83,715	NA	2,229	85,944
Free Patients served (≤ 5 years patients, fistula patients, cleft lip/palate)	18,334	14,812	NA	808	15,620
Total Patients served	231,217	214,298	34,092	6,286	254,676
NEW					
New case Eye	165,796	179,445	37,164	727	217,336
New case Ortho	31,066	40,738	17,988	0	58,726
New case Clubfoot	338	368	22	38	428
New case Cleft lip / palate	593	669	1	NA	670
New case VVF	498	467	0	NA	467
New case P&O	868	1510	1	65	1,576
New case Physio & Occupational therapy	8222	14228	502	NA	14,730
New case Burn	37	67	12	NA	79
New case seen Outpatient	652	NA	NA	384	384
New case seen in WIT(week of intensive training)	229	NA	NA	211	211
Total New Case	208,299	237,492	55,690	1,425	294,607
CONSULTATIONS					
Eye Consultations	64,829	49,802	18,126	727	68,655
Ortho Consultations	21,880	15,819	5,169	0	20,988
VVF consultations	485	401	0	0	401
Physiotherapy consultations & sessions-Only Dar	15,983	11,744	8057	NA	19,801
P&O Consultations-Only Dar	29	146	0	65	211
Outpatient clients' consultations applicable only for Moshi	911	NA	NA	618	618
Club foot (Ponseti) Client's consultations	311	NA	NA	287	287
Bone deformity identified and referred for treatment	104	NA	NA	97	97
Total Consultations	104,532	77,912	31,352	1,794	111,058

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

9. SERVICE DELIVERY REVIEW (CONTINUED)

General statistics	2020	2021			
	Total	CCBRT			Total
		Standards	Private	Rural facilities /outreach	
OUTREACH TREATMENT					
Home visits Conducted	3,640	NA	NA	4,388	4,388
Home clients seen	858	NA	NA	915	915
Family supported through CBR(Rehabilitation)-Supportive units	1,314	NA	NA	1,460	1,460
Supportive units clinics done/number of clinics done	416	NA	NA	439	439
Supportive units visits done	1,614	NA	NA	1,981	1,981
NEW clients (unique) visited during the supportive units	100	NA	NA	138	138
School Visits Conducted	0	NA	NA	0	0
School Children seen	0	NA	NA	0	0
Client seen in WIT	501	NA	NA	539	539
Total for CBR	8,443	NA	NA	9,860	9,860
FOLLOW UP					
Seating clinics follow up	271	NA	NA	248	248
Total Follow up	271	NA	NA	248	248
SURGERIES					
Eye surgeries	5,379	4,810	1,334	0	6,144
Ortho Surgeries (excl. cleft lip /palate, clubfoot, Tenotomy & reconstructive)	526	624	185	0	809
Cleft lip / palate surgeries	336	354	4	0	358
Clubfoot surgeries	203	80	8	75	163
Tenotomy surgeries	92	19	3	16	38
Reconstructive surgeries (excluding cleft lip/palate)	106	121	8	0	129
VVF Surgeries	493	462	0	0	462
VP Shunting/CT scan	4	NA	NA	8	8
TOTAL Surgeries	7,139	6,470	1,542	99	8,111
DEVICES					
Total Refractions conducted	12,255	14,579	15,687	NA	30,266
Total pts Assessed for Low Vision	3,110	2,984	175	NA	3,159
Total Glasses (spectacles) provided	7,434	3,103	4,256	NA	7,359
Total Low Vision devices provided	32	103	2	NA	105
Lenses provided	63	51	33	NA	84
Frames provided	409	142	163	NA	305
Total devices	23,303	20,962	20,316	NA	41,278

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

9. SERVICE DELIVERY REVIEW (CONTINUED)

General statistics	2020	2021			
	Total	CCBRT			Total
		Standards	Private	Rural facilities /outreach	
ASSISTIVE DEVICES					
Prosthetics and orthotics devices	862	1,516	0	33	1,549
Orthopaedic devices	166	0	0	97	97
Special seats	14	3	0	0	3
Wheelchair	924	107	0	467	574
Artificial eyes	56	78	11	NA	89
Other devices	34	98	0	85	183
Total Assistive Devices Provided (prosthetics and orthotics, special seats and orthopaedic devices)	2,056	1,802	11	682	2,495
CAPACITY BUILDING					
People Trained in Disability Inclusion	0	325	NA	102	427
New-borns and Maternal Healthcare Professionals Trained	0	0	0	135	135
WIT Meetings Conducted	66	2,332	NA	NA	2,332
Ponseti clinics conducted	35	NA	NA	34	34
HBC Training	77	NA	NA	71	71
CHW Training	16	NA	NA	114	114
Parents trained on livelihood activities	273	NA	NA	0	0
Families received Milk goats	39	NA	NA	0	0
Families received Materials (Vifaa)	0	NA	NA	0	0
Total capacity building	506	2,657	NA	456	3,113
MH SERVICES					
Number of women attended Antenatal care first visit	39,606	NA	NA	41,799	41,799
Total Deliveries	71,671	NA	NA	75,422	75,422
Live Birth	71,603	NA	NA	75,490	75,490
Still Birth (FSB+MSB)	1,543	NA	NA	1,694	1,694
Neonatal Death	666	NA	NA	918	918
Maternal Death	52	NA	NA	62	62
Caesarean Sections	15,084	NA	NA	18,020	18,020
Instrumental Delivery (vacuum)	1,808	NA	NA	1,980	1,980
	202,033	NA	NA	215,385	215,385

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

10. FINANCIAL PERFORMANCE

The total revenue (revenue from exchange transactions, revenue from non-exchange transactions, other revenue, and finance income) decreased by 9% in 2021 with a total of TZS 39,729 million (2020: TZS 43,730 million). The decrease of revenue, where patient revenue increased by TZS 1.79 billion while decrease in partners revenue by TZS 5.6 billion, has been mainly attributed by end of projects of Maternal healthcare and Maternal Wing constructions. Apart from that, the cash flow problem led to slow down in implementation of some of activities.

The surplus for the year 2021 of TZS 8,065 million (2020: TZS 19,322 million) is reflected in the retained earnings account. The surplus for the year is mainly attributed by recognition of revenue which was for acquisition of PPE implemented during the year. Note: In 2021, CCBRT adopted new reporting framework, IPSAS, which requires all capital expenses from non-exchange transactions to be recognize as revenue if there is no conditions attached to the disposal of assets.

11. FINANCIAL POSITION

The statement of financial position shows that during the year 2021 total assets increased by 0.06% to TZS 104,113 million (2020: TZS 104,051 million). The increase is mainly attributed to an increase in the trade receivables, inventories and property plant and equipment together with the final stage of the construction of the Maternity Hospital and offset by decrease in cash and cash equivalents.

The retained earnings is affected by changes in the way we accounted for revenue from non-exchange transactions due to the first time adoption of IPSASs. Hence 2020 is affected by TZS 19 billion and 2021 affected by TZS10.8 billion. For more details, refer to Note 28 on the effects of adoptions of IPSAS on revenue, capital grants reporting.

12. CASH FLOW

The Organization's cash flow is as set out in the cash flows statement. As at 31st December 2021, the Organization closed with cash and cash equivalents of TZS 10,475,961,000 (2020; TZS 15,909,146,000). The decrease is mainly attributed by a decrease in cash generated from operating activities.

13. KEY PERFORMANCE INDICATORS

GOALS	Indicator	Actual 2020	Actual 2021	
A highly engaged and performing workforce	% Completion training plan implementation	679	2007	
	Number of staff incidences reported	3	4	
	% Improvement of combined scores of staff vacancies filled resignations and retention		100%	97%
			50%	10%
			2%	2%
			85%	80%
	% Staff undergoing performance reviews	N/A	N/A	
	% Increase in average employee satisfaction surveys score	N/A	N/A	
% Of employees with disability	6%	6%		
Staff output	371	656		
A safe hospital providing appropriate and successful treatment in line with international standards	% Increase in service delivery volume	-8%	-1%	
	Number of Disability Adjusted Life Years (DALYs) averted for clients treated at CCBRT	26875	31503	
	Safe Care Level 5 and benchmark with international hospital	Level 4	Level 4	
	% Cataract adult clients with post-operative visual acuity of 6/6-6/18 four to eleven weeks after surgery	94%	90%	

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

13. KEY PERFORMANCE INDICATORS (CONTINUED)

GOALS	Indicator	Actual 2020	Actual 2021
A safe hospital providing appropriate and successful treatment in line with international standards (Continued)	% Clubfoot clients who maintain zero Pirani score after one year of using a foot abduction brace	68%	67%
	% Clients using their lower limb prosthetic device a year after fitting	100%	100%
	% Fistula patients who are dry six months after surgery	93%	90%
	Number of maternal deaths in 22 MHCb partner Health facilities	52	62
	Number of new-born deaths in 22 MHCb partner Health Facilities	666	918
All clients are treated with privacy, dignity and respect and receive the right services at the right place	% Increase in client satisfaction score feedback	N/A	N/A
	Number of clients treated through outreach	221	727
	% Improvement in CCBRT disability inclusion score	N/A	N/A
	% Reduction in OPD turnaround time	0%	0%
A culture of continuous improvement with a focus on learning and innovation	% Of improvement ideas implemented	134	198
	% Users entering & retrieving data into HMIS (user density)	82%	81%
	% Complete records (information density)	30%	29%
	Number of people trained at the CCBRT Academy	684	2936
	Number of trainings done at the CCBRT Academy	30	49
	Number of research initiatives CCBRT is involved	2	3
	Number of staff receiving professional training including CPD	667	1986
A financially sustainable social enterprise	% Revenue increase (Patient revenue)	-6%	18%
	% Reduction in cost per service	4%	25%
	% Earnings after interest, tax and depreciation	-2%	-5%
	Number of subsidised clients	67,671	85,944
	Number of free clients	19,896	15,620

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

14. GOING CONCERN

The Governing Board Members confirm that applicable accounting standards have been followed and the financial statements have been prepared on a going concern basis. The Governing Board Members have reasonable expectation that CCBRT has adequate resources to continue with its operations for at least twelve months from the date of these financial statements. See Note 23 for additional disclosure on the going concern.

15. EMPLOYEE WELFARE

CCBRT has 374 staff at the end of 2021, with 256 staff working in the hospital (standard and private wing), 59 are working in the back office (support services such as finance, warehouse, procurement, HR, IT, marketing) and 59 employees working in development programmes and projects compared to the requirement of 462 (compared at 31 December 2021 in review of the 2021 budget). Hence, at the end of the financial year 2021 had a gap of 88 employees. The distribution of requirement and vacancies is as shown in the table below.

CCBRT Job Cadres (2021)	Establishment 2021	Actual 2021	Vacancies
Executive Management	4	4	-
Doctors & Specialists	49	37	-12
Nurses & Medical Attendants	146	107	-39
Paramedical/Clinical staff	65	58	-7
Dev. Programme staff	61	59	-2
Other Support staff	137	109	-28
Total	462	374	-88

1. **Jobs in this table are summarized as per job cadre*

2. *** Some vacancies are not to be replaced, whereas the positions were initially in the 2021 establishment.*

Out of the 374, a total of 202 are clinical trained staff including 37 doctors, 107 nurses and 58 para-medicals. 98% of the staff are Tanzanians. Out of the 9 non-Tanzanians, 5 are specialised clinicians.

Non-Clinical staff are 172 comprised of 54 people in support functions in the hospital (biomedical engineers, P&O and POP attendants, receptionists, cashiers, cleaners, laundry, social services, administrative etc), 59 working in the back office and 59 employees working in development programmes and projects.

CCBRT promotes diversity and inclusion and aims to retain, attract and recruit staff who share the values and reflect the diverse community served; 59% of CCBRT's staff are female and 6.1% of employees have disabilities. CCBRT has a female CEO and 50% of the executive management is female. In total 11 managers positions (38%) across the organisation are female led.

In 2021 CCBRT further recruited female members for its governing board resulting in a gender balanced board composition. Also for the first time in history, CCBRT has board members with a medical background.

As a 'learning organisation', CCBRT continued in 2021 to promote on-the-job learning as well as formal skills advancement. While 18 employees went for formal training sessions outside of CCBRT, most training took place through the CCBRT Academy. 2914 training seats were occupied by employees receiving technical training. Furthermore, various trainings offered by the CCBRT Academy received formal accreditation from the Medical Council of Tanganyika in 2021, which is important for employees in need to obtain CPD (Continuous Professional Development) points for retention of their license to practise.

COVID-19 still impacted CCBRT's business in 2021 with a reduced number of clients seeking services from CCBRT, particularly in periods with increased reported cases in the country (Jan-Feb, July-Aug). Furthermore, CCBRT noticed delays in deliveries of medicines, equipment and consumables that are coming from abroad, resulting in out of stock. This impacted the income for the organisation.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

15. EMPLOYEE WELFARE (CONTINUED)

CCBRT saw a significant increase in sickness and death of relatives of employees in July and August and High Dependency Care was temporarily offered for staff and relatives using the oxygen capacity of the new maternity wing.

Cost saving measures continued in 2021 with contract re-negotiations for the executive management and some other positions, resulting in a termed contract, reduction of those salaries and phasing out of in-kind benefits. As a result, two non-Tanzanian staff members decided not to renew their contract and these positions were replaced early 2022 by Tanzanian employees.

In 2021, CCBRT hosted 106 interns from diverse training institutions for their practical internship in their respective field as well as 32 volunteers.

Health and safety

The Organisation ensures that a strong culture of safety prevails at all times. A safe working environment is ensured for all employees by providing adequate and proper personal protective equipment, training and supervision as necessary. The Organisation also adheres to the regulations set by the Occupational Health and Safety Authority of Tanzania (OSHA).

Employees benefit plan

CCBRT pays contributions to the National Social Security Fund (NSSF) which is a pension plan and is mandatory.

16. PERSONS WITH DISABILITIES

CCBRT promotes disability inclusion in line with the Disability Act, 2010 across the organisation and 6.1% of staff employed are persons with disabilities. Amongst staff and board members, these disabilities include physical disabilities on limbs, hearing impairments, visual impairments as well as people with albinism.

CCBRT pro-actively encourages people with disabilities to apply for available positions and staff participating in recruitment processes are trained to facilitate the process accordingly. As per CCBRT's diversity & inclusion policy training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Organisation continues, and appropriate training is arranged. CCBRT contributes to the Workers Compensation Form as per the national guidelines.

17. POLITICAL AND CHARITABLE DONATIONS

The organization did not make any political donations during the year (2020: Nil).

18. RESERVES

Retained earnings

The retained earnings is generated from accumulated surplus 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 income and are not entitled to receive any benefits from the Organisation's resources.

Revaluation reserve

In 2019, the Organisation's buildings were revalued, where the measurement was Level 2. All other classes of assets (property and equipment) were carried out at cost model as per Note 12 to the financial statements. The revaluation reserve generated is not available for distribution.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

19. FUTURE DEVELOPMENTS

Maternity and New-born Hospital

In 2021, CCBRT completed the construction of its future maternity and new-born facility with a tentative plan of official opening and full utilization of the building in 2022

On service delivery we are extensively aligning our existing clinical services to create a conducive hospital environment that will foster growth in numbers of patients we attend, super specialisation services we are offering and the quality of our clinical activities as well as improved customer experiences.

This will necessitate investing in capacity building of our clinical team so that we get skills and expatriates needed to deliver the contemporary clinical services.

Training of the existing clinical team members to the desired super specialty levels, recruitment and retention of the talents we need and on job training all the clinical teams will ensure we have the required skills and expertise to provide quality specialised health care services with maximum possible good customer experience.

For the clinical services to be at the highest level we will have to have the right capital investment in terms of machines, equipment, instruments and necessary infrastructures like IT, software and buildings. This will provide support to the trained team in delivering sophisticated overall clinical services including rehabilitation services.

20. PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES

Risks associated with service delivery

SN	Risk	Implication	Mitigation
1	Impact of global developments on operations CCBRT: <ul style="list-style-type: none">• Unavailability of supplies/devices in TZ• Delayed in delivery time of overseas goods• Increased costs	Some essential drugs, supplies and devices are not available which does directly force CCBRT to stop providing some services and/or limit to start planned activities. This then also impacts number of clients CCBRT able to serve as well as the ability to generate revenue. In addition, impact at patient level: increase waiting time, which could be a serious hick up in patients' treatment	CCBRT is actively engaging with suppliers (including. MSD) to avoid out of stock of essential drugs. CCBRT has adjusted plan for new activities that are linked to overseas supplies and pro-active looks for alternative suppliers. CCBRT will review price settings whereby increased costs are factored in.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

20. PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES (CONTINUED)

Risks associated with financial

SN	Risk	Implication	Mitigation
1	Drastic reduction of financial support from development partners	<p>If financial support is not secured, CCBRT will no longer be able to offer certain services and will need to execute retrenchment of staff.</p> <p>This will impact particularly the subsidized support to the poor and vulnerable clients.</p>	<p>In order to deal with the finance gap, CCBRT has been taken a number of actions to restore/improve the financial situation:</p> <p>REVENUE IMPROVEMENT</p> <ol style="list-style-type: none"> 1. Expansion of services to increase revenue (Dental, Physician, Baby Wellness, Hemodialysis, Renal Clinic, Dermatology) 2. Expansion of opening hours (including Saturday as a business day) 3. Increased Marketing of our services 4. Increase seeking CSR/CSI support 5. Continue Fundraising with focus to increase flexible funds for the organization. <fundraising strategy, involve defining acceptable/unacceptable donations, principles for funds allocation and system of invoicing donors for services.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

20. PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES (CONTINUED)

Risks associated with financial (Continued)

SN	Risk	Implication	Mitigation
1	Drastic reduction of financial support from development partners	If financial support is not secured, CCBRT will no longer be able to offer certain services and will need to execute retrenchment of staff. This will impact particularly the subsidized support to the poor and vulnerable clients.	6. Develop strategy to collect cash from insurances, including changing payment terms for credit customers. 7. Securing Government of 8. Tanzania support; Continue the lobby with the GOT on the modalities of this support. COST MEASURES/EFFICIENCY GAINS 1. Introduction of stock reduction measures, such as reducing bulk orders, reducing stock levels and sell off dormant stock and unneeded assets 2. Pay by performance, both on the income side as at the expenditure side; Complete the costing exercise for all our services; allow for more accurate cost allocation and invoicing; improved understanding of subsidized activities.
2	No secured funding for operationalization of Maternity and New-born Wing (MW)	CCBRT will not be able to open and provide Maternal and New-born health services as expected.	CCBRT continues to fundraise for the operationalization of MW. While fundraising is going on CCBRT will be providing maternal service for paying patients
3	No financial support from the Government of Tanzania, while the Service Level Agreement (SLA) is in place.	Financial support from Government of Tanzania will directly assist to reduce the funding gap of CCBRT.	CCBRT Management and CCBRT Board continue to lobby with the government on inclusion in the Government of Tanzania budget.

Uncertainties

CCBRT great part relies on Donor funding to implement the finalization of maternal wing hospital. Uncertainty exist on how the operationalization of maternal wing will happen without having secured funds.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

20. PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES (CONTINUED)

Risks associated with financial (Continued)

Opportunities

Presence of reliable external financing willing to support various projects in CCBRT especially in Fistula program, capacity building for mother and child healthcare, community rehabilitation programs.

Credit risk

The Organisation has established a credit policy under which each new customer is analysed individually for creditworthiness before the Organisation's standard payment terms and conditions and service delivery mode are offered. Other debtors are not having standard credit characteristics; they differ depending on whether they are normal debtors, "governed by specific debtor terms" or the creditworthiness of Organisation from which they are receivable.

Credit risk is managed by the Chief Finance Officer, except for credit risk relating to trade receivables. The Entity Billing manager assesses the credit quality of each customer, taking into account its financial position, past experience and other factors.

Market risk

The main market risk to the Organisation is on the foreign currency. Management's policy to manage foreign exchange risk is to maintain foreign currency bank accounts which act as a natural hedge for payment.

21. STAKEHOLDER RELATIONSHIP

CCBRT's stakeholders are individuals or institutions with direct or indirect interest to CCBRT such as:

No	Stakeholder	Relationship	Impact
1	Ministry of Health	Health -SOP compliance	High
2	NGO Register	Compliance with NGO Act	High
3	Patients	Highly and quality treatment	High
4	Employees	Commitments, Staff benefits provision	High
5	Creditors	Procurement of Drugs and Medicines	High
6	Debtors	Payments of services offered	High
7	Regulatory Authorities	Compliance with regulatory authorities Act	High
8	Donors	Compliance with funding conditions	High

22. CAPITAL STRUCTURE

The organization has no share capital, its assets originate from donated equity funds received from Donors. The acquired assets are capitalised and funded through capital grant. Capital includes capital reserve, property, plant & equipment revaluation reserve and accumulated surplus which stood at TZS 82,301,183,000 (2020: TZS 74,236,077,000).

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

23. CORPORATE GOVERNANCE

The Board has 10 members who are non-executive members that are not involved in the day-to-day running of the Organisation. The Chairperson of the CCBRT Board is appointed by the members of the Board, for a term of five years. The CEO who is Ex Officio and 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 Organisation's activities.

The Governing Board required to meet between two and four times per year. The Board is required to meet at least once every month to deliberate and provide guidance on policy and operations of the organization. The Board delegated day-to-day management and running of the Organisation to the Chief Executive Officer who is assisted by the Hospital Executive Team (HEC).

Table 1: Members of the governing Board.

	Name of Board member	Title	Qualifications	Year of Appointment	Year of resignation	Nationality
1	H.E. Dr Willibrod Peter Slaa	Chairperson-Active	PhD Law Seminary Certificate Theology Seminary certificate Psychology	1994	NA	Tanzanian
2	Mr. Edwin Epp	Member GRN	MA economics	2016	April 2021	Canadian
3	Davith Kahwa	Committee Chair GRN	Certified Information System Auditor (CISA) Bc Commerce in Accounting	2019	June 2021	Tanzanian
4	Dr. Jim J. Yonazi	Member FRA-Active	PhD Economics in e-Governance MSc IT & Management	2019	N/A	Tanzanian
5	Mr. Amon Anastaz Mpanju	Member GNR	BSc in Law	2020	N/A	Tanzanian
6	Mr. Rupin Jayanti Rajani	Committee chair FRA-Active	BSc Industrial Engineering Bsc Economics MBA	2020	N/A	Tanzanian
7	Mr. Bernard J. Christiaanse	Member FRA & GNR-Active	BSc Economic Nyenrode Business School	2020	N/A	Dutch
8	Ms. Miranda Naiman Mpogolo	Vice-Chairperson / Committee chair GRN-Active	BSc Drama MA in Theatre & Development Studies	2020	N/A	Tanzanian
9	Mrs. Esther Kileo Kitoka	Member FRA-Active	AMP CPA Bsc Commerce in Accounting Ms Commerce in Banking	2020	N/A	Tanzanian
10	Dr. Sabina Ferdinand Mugusi	Member CQR-Active	MBBS (MD) PhD- HIV & Tuberculosis Post-Grad Fellowship HIV	2021	N/A	Tanzanian
11	Dr. Nelly Iteba	Committee chair CQR-Active	MD Master International Health Master of Management - Health Leadership (IHML)	2021	N/A	Tanzanian
12	Dr. Redempta John Mbatia	Member CQR-Active	MD Fellowship Cardiology Fellowship General Internal medicine Post Graduate Tropical medicine (DTHM) Msc Epidemiology	2021	N/A	Tanzanian
13	Ms Brenda Msangi	Chief Executive Officer ; Board of Directors Secretary, ex officio	Pharmacy Foundation Course Msc Pharmacy (Mpharm) MBA in healthcare	Management since 2009 / CEO & Board since 12/12/2018	N/A	Tanzanian

GRN - Governance, Remuneration & Nomination; CQR - Clinical Quality & Research; FRA - Finance, Risk and Audit

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

**GOVERNING BOARD MEMBERS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)**

23. CORPORATE GOVERNANCE (CONTINUED)

During the financial year, the Board conducted four (4) ordinary meetings. The attendance of each Board member during the period under review is as shown in Table 2 below:

During the year, the Board deliberated on the following matters:

- (i) Approve 2022 budgets
- (ii) Contracts renegotiation for Hospital Executive Team (HEC)
- (iii) Appointment Chief of Medical Services
- (iv) Recruitment of new board members

Table 2: Attendance of Board Members

No	Name	Board Meetings			
		16/4/2021	25/6/2021	24/9/2021	16/12/2021
1	Dr Willibrod P. Slaa	Present online	Present online	Present online	Present online
2	Mr Rupin Jayanti Rajan	Present online	Present online	Present online	Apologies
3	Dr Jim J. Yonazi	Apologies	Apologies	Present online	Apologies
4	Mr Amon Mpanju	Apologies	Apologies	Present online	Apologies
5	Mr Davith Kahwa	Present online	Present online	N/A	N/A
6	Mr Bernard Christiaanse	Present online	Present online	Present online	Apologies
7	Ms Miranda Naiman	Present online	Present online	Present online	Present Online
8	Mr Edwin Epp	N/A	N/A	N/A	N/A
9	Mrs Esther Kitoka	Apologies	Apologies	Present online	Apologies
10	Dr Sabina Mugusi	N/A	Present Online	Present online	Present Online
11	Dr Redempta Mbatia	N/A	Present Online	Present online	Apologies
12	Dr Nelly Iteba	N/A	Present Online	Apologies	Present online
13	Ms Brenda Msangi	Present	Present	Present	Present

Committees of the Board

CCBRT has 3 Board Committees which aim to facilitate enhancement of proper governance and management of public resources. The committees are Governance, Remuneration & Nomination, Finance, Risk and Audit and Clinical Quality & Research Committee.

Governance, Remuneration & Nomination Committee

The Organization's Governance, Remuneration and Nomination Committee comprised of three (3) members as shown in Table 3 below. The Committee assists the Board in fulfilling its oversight responsibilities on governance matters.

Table 3: Members of Governance, Remuneration and Nomination Committee

Name	Position
Mr. Amon Anastaz Mpanju	Member
Ms. Miranda Naiman Mpogolo	Committee chair
Mr. Bernard J. Christiaanse	Member

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

23. CORPORATE GOVERNANCE (CONTINUED)

Governance, Remuneration & Nomination Committee (Continued)

During the year 6 meetings were held and several decisions were prepared concerning governance including

- (i) remuneration and contract negotiations for HEC members,
- (ii) hiring the new Chief of Medical Services
- (iii) Strategic Workshop and Selection of New Board Members.
- (iv) The committee worked further on the review of the constitution and alignment of the board charter.

Finance, Risk & Audit Committee

The Organization's Audit Committee comprised of four (4) members as shown in Table 4 below. The Audit Committee assists the Board in fulfilling its oversight responsibilities on risk management, financial reporting process, the system of internal control, the audit process, and the Organization's process for monitoring compliance with laws and regulations.

Table 4: The members of the Audit committee

Name	Position
Mr. Rupin Jayanti Rajani	Committee chair
Dr Jim J. Yonazi	Member
Mr. Bernard J. Christiaanse	Member
Mrs. Esther Kileo Kitoka	Member

During the year, the committee held 7 meetings and several recommendations were made by the committee to the board including:

- (i) Approval of 2021 budget,
- (ii) Approval of overdraft facility to address the cash flows challenge
- (iii) Appointment of auditor.

Clinical Quality & Research Committee

The Organization's Clinical Quality and Research Committee comprised of three (3) members as shown in Table 5 below. The Audit Committee assists the Board in fulfilling its oversight responsibilities on clinical quality and research matters of the organization.

Table 5: Members of Clinical Quality committee

Name	Position
Dr. Nelly Iteba	Committee chair
Dr. Sabina Ferdinand Mugusi	Member
Dr. Redempta John Mbatia	Member

During the year, the committee was established and 3 meetings held, the committee was oriented, selected a chair person and prepared the Terms of Reference for board approval. The committee further analysed the clinical performance of the organization.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

24. AUDITOR

KPMG was appointed as auditor of CCBRT for the year ended 31 December 2021 and is eligible for re-appointment. The resolution to re-appoint KPMG for the next accounting year ending 31 December 2022 will be put in the forthcoming Board of Directors meeting.

25. STATEMENT OF COMPLIANCE

The report by those charged with governance and financial statements of the Comprehensive Community Based Rehabilitation in Tanzania have been prepared in compliance with the Tanzania Financial Reporting Standards (TFRS 1).

BY ORDER OF THE GOVERNING BOARD



Dr Willibrod P. Slaa
President of the Board of CCBRT

02/09/2022

Date



Ms. Brenda Msangi
Secretary/ Chief Executive
Officer

02-09-2022

Date



COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

**WORD FROM THE PRESIDENT OF THE GOVERNING BOARD
FOR THE YEAR EDED 31 DECEMBER 2021**

On behalf of the Governing Board, we are very proud of the CCBRT fraternity for their zealous commitment throughout 2021. Also, we maintained quality outcomes on all our services ensuring quality rehabilitative healthcare remains accessible to persons living with a disability. We tested the Maternal and New born Wing that will offer subsidized care for patients referred from other health facilities with high-risk pregnancies or emergencies.

My gratitude goes out to all our stakeholders whose combined effort were instrumental in ensuring that CCBRT hospital continues to pursue its vision and mission. To all our patients, we are grateful for trusting and choosing our services throughout the year. The team that ensured our services remained accessible including the management team, clinical team of doctors and nurses, support services network ranging from our cleaners, administrators, security team, on behalf of the entire Board of CCBRT, we are proud of you!

Special gratitude goes out to all our donors and partners; we highly value your support, contributions and expertise and look forward to working together in the years ahead.



Dr. Willibrod P. Slaa
President of the Governing Board of CCBRT

Date: 02/09/2022



COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

WORD FROM THE CEO FOR THE YEAR ENDED 31 DECEMBER 2021

2021 remains a significant year in the history of our organization.

The global health community collaboratively saw the rolling out of COVID-19 vaccines with more accessibility to larger populations. Tanzania was not left behind in addressing health inequities caused by COVID-19 pandemic by rolling out voluntary COVID-19 vaccination uptake in government health facilities free of charge later in the year. This was a key milestone considering the disruption brought about by COVID-19 on the economy and adversely increasing health inequities among populations.

Tanzania fell into mourning in March 2021, when the late President Dr. John Pombe Magufuli passed away. This ushered a new era as Tanzania welcomed its first Tanzanian female president, President Samia Suluhu Hassan – the 6th President of the United Republic of Tanzania.

CCBRT's contribution in maternal and child health in the region and in the country hit a significant milestone with Ministry of Health approval to conduct deliveries at its newly completed Maternal & New-born wing. While this makes the end of over a decade of work of system strengthening in maternal and child care, it marks the beginning of an era of respectful maternal care for all women and especially those living with a disability.

Despite the challenges, we saw 254,676 patients in 2021 surpassing the 100,000 mark! According to the 2002 national census, the National Bureau of Statistics reported a 2% incidence of disability in the population - meaning there is a big need for rehabilitative healthcare. We still have a long way to go in pursuing our vision as an organization. We continue to forge strong long term partnerships with the government of Tanzania, private businesses as well as the community as part of broader collaboration of our work in rehabilitative healthcare.

Our development programs are a core strategic move in the rehabilitation space that aligns with Universal Health Coverage pillar that all people can access quality healthcare services when in need of the services. Through our community-based rehabilitation program, we reached 1,460 families and conducted 4,388 home visits.

It has not been an easy year with low capacity on human resource of less than 400 staff to deliver quality service in a timely manner. CCBRT hospital is an organization that heavily continues to rely on collaborative efforts of stakeholder to address disability in our healthcare system and addressing disability inclusion development for this group of persons with special needs. We endeavour to drive thought leadership in rehabilitative healthcare, improve quality health outcomes of interventions to persons with disability, foster collaboration of key stakeholders and address disability before birth of every Tanzanian baby. We are driven by impact and are proud of how far we have come in these unprecedented post-COVID era.



Ms. Brenda Msangi
Chief Executive Officer

Date: 02-09-2022



COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

**STATEMENT OF THE GOVERNING BOARD MEMBERS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Governing Board Members are responsible for the preparation of financial statements that give a true and fair view of Comprehensive Community Based Rehabilitation in Tanzania ("CCBRT" or "the Organisation") comprising the statement of financial position as at 31 December 2021, the statement of financial performance and, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, which includes a summary of significant accounting policies, in accordance with the International Public Sector Accounting Standards (IPSAS).

The Governing Board Members are also responsible for such internal control as the board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The Governing Board Members have made an assessment of the ability of the Organization to continue as going concern and have no reason to believe that the business will not be a going concern at least for the next twelve months from the date of approval of these financial statements.

The auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework.

Approval of financial statements

The report and financial statements of the Comprehensive Community Based Rehabilitation in Tanzania, as identified in the first paragraph, were approved by the Governing Board Members on02/09/.....2022 and signed by:



Dr. Willibrod P. Slaa
President of the Board of CCBRT



Ms. Brenda Msangi
Secretary / Chief Executive Officer

02/09/2022
Date

02-09-2022
Date



COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

DECLARATION OF THE HEAD OF FINANCE FOR THE YEAR ENDED 31 DECEMBER 2021

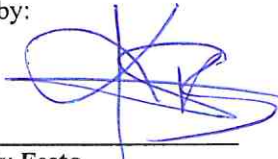
The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance responsible for the preparation of financial statements of the Organisation 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 Organisation showing true and fair view of the Organisation 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 Governing Board Members as under Statement of the Governing Board Members' Responsibilities on an earlier page.

I **Elly Festo**, being the Head of Finance for Comprehensive Community-Based Rehabilitation in Tanzania (CCBRT) hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2021 have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS).

I thus confirm that the financial statements of Comprehensive Community Based Rehabilitation in Tanzania (CCBRT) comply with applicable accounting standards as of 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: 2 | 9 | 2022



KPMG
Certified Public Accountants
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**INDEPENDENT AUDITOR'S REPORT
TO THE GOVERNING BOARD OF
THE COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA**

Opinion

We have audited the financial statements of Comprehensive Community Based Rehabilitation in Tanzania ("the Organisation") set out on pages 30 to 67 which comprise the statement of financial position as at 31 December 2021, and the statement of financial performance, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Organisation as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Organisation in accordance with International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Tanzania, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - comparative information

We draw attention to Note 28 to the financial statements which describes that the Organisation changed its basis of accounting from International Financial Reporting Standards (IFRSs) to IPSAS and made retrospective adjustments to comparative information in the accompanying financial statements. Consequently, the comparative information in the accompanying financial statements has been restated. Our opinion is not modified in respect of this matter.

Other Information

The Governing Board Members are responsible for the other information. The other information comprises the information included in the document titled *Comprehensive Community Based Rehabilitation in Tanzania (CCBRT) Annual Report and Financial Statements for the year ended 31 December 2021* but does not include the financial statements and our auditor's report thereon.

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

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



**INDEPENDENT AUDITOR'S REPORT
TO THE GOVERNING BOARD OF
THE COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CONTINUED)**

Responsibilities of Governing Board Members for the financial statements

The Governing Board Members are responsible for the preparation of financial statements that give a true and fair view in accordance with IPSAS and for such internal control as the Governing Board 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 Organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governing Board Members either intend to liquidate the Organisation or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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



**INDEPENDENT AUDITOR'S REPORT
TO THE GOVERNING BOARD OF
THE COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CONTINUED)**

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

KPMG
Certified Public Accountants (T)

Signed by: CPA Alexander Njombe (ACPA 2714)
Dar es Salaam

Date. 08 - 09 -2022

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 TZS '000	Restated* 2020 TZS '000
Revenue			
Revenue from non-exchange transactions	6	27,249,857	32,879,360
Revenue from exchange transactions	7	<u>12,054,834</u>	<u>10,185,276</u>
		39,304,691	43,064,636
Other income	8	406,625	275,798
Finance income	10(b)	<u>17,897</u>	<u>389,202</u>
		39,729,213	43,729,636
Expenses			
Operating costs	9	(29,985,577)	(23,315,612)
Finance cost	10(a)	(821,552)	(828,386)
Impairment on trade and other receivables	14	<u>(856,978)</u>	<u>(263,406)</u>
		(31,664,107)	(24,407,404)
Surplus for the year before tax		8,065,106	19,322,232
Tax expense		-	-
Net surplus for the year		<u>8,065,106</u>	<u>19,322,232</u>

* See Note 28

Notes and related statements forming part of these financial statements appear on pages 34 to 67.

Report of the auditor – Pages 27 to 29.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	<u>Notes</u>	31 December 2021 TZS'000	Restated* 31 December 2020 TZS'000	Restated* 1 January 2020 TZS '000
ASSETS				
Non-current assets				
Property and equipment	12	88,385,255	81,570,634	63,996,775
Intangible assets		-	-	52,337
		<u>88,385,255</u>	<u>81,570,634</u>	<u>64,049,112</u>
Current assets				
Inventories	13	2,071,809	1,895,335	2,261,283
Trade and other receivables	14	2,874,451	2,725,911	3,680,223
Grants receivables	15	112,761	1,949,907	22,000
Cash and cash equivalents	16	10,668,504	15,909,146	12,558,835
		<u>15,727,525</u>	<u>22,480,299</u>	<u>18,522,341</u>
TOTAL ASSETS		<u>104,112,780</u>	<u>104,050,933</u>	<u>82,571,453</u>
RESERVES AND LIABILITIES				
RESERVES				
Accumulated surplus		78,785,049	70,590,060	51,137,945
Revaluation reserve		3,516,134	3,646,017	3,775,900
Total reserve		<u>82,301,183</u>	<u>74,236,077</u>	<u>54,913,845</u>
LIABILITIES				
Non-current liabilities				
Borrowings	17	6,043,859	-	6,274,399
Deferred grant income	18	-	1,326,869	2,389,577
		<u>6,043,859</u>	<u>1,326,869</u>	<u>8,663,976</u>
Current liabilities				
Bank overdraft	16	192,542	-	757,563
Borrowings	17	875,279	6,303,878	588,174
Deferred grant income	18	7,458,564	16,500,932	12,359,570
Trade and other payable	19	7,241,353	5,683,177	5,288,325
		<u>15,767,738</u>	<u>28,487,987</u>	<u>18,993,632</u>
TOTAL LIABILITIES		<u>21,811,597</u>	<u>29,814,856</u>	<u>27,657,608</u>
TOTAL RESERVE AND LIABILITIES		<u>104,112,780</u>	<u>104,050,933</u>	<u>82,571,453</u>

* See Note 28

The financial statements on pages 30 to 67 were approved by the Governing Board on

02/09/2022 and signed by:

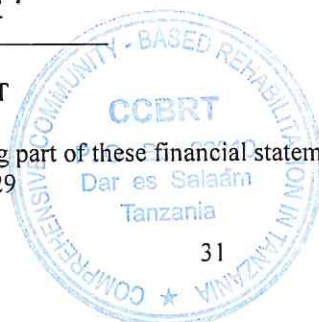
Dr. Willibrod P. Slaa

Dr. Willibrod P. Slaa
President of the Board of CCBRT

Ms. Brenda Msangi

Ms. Brenda Msangi
Secretary / Chief Executive Officer

Notes and related statements forming part of these financial statements appear on pages 34 to 67
Report of the auditor – Pages 27 to 29



COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Accumulated surplus TZS'000	Revaluation reserve TZS'000	Total TZS'000
Year ended 31 December 2021				
Balance at 1 January 2021		70,590,060	3,646,017	74,236,077
Surplus for the year		8,065,106	-	8,065,106
Transfer of revaluation reserve		129,883	(129,883)	-
Balance at 31 December 2021		<u>78,785,049</u>	<u>3,516,134</u>	<u>82,301,183</u>
Year ended 31 December 2020				
Balance at 1 January 2020 as previously stated		(559,215)	3,775,900	3,216,685
Adjustment on revaluation on first time adoption of IPSAS		51,697,160	-	51,697,159
Balance at 1 January 2020 (restated)		<u>51,137,945</u>	<u>3,775,900</u>	<u>54,913,845</u>
Surplus for the year		19,322,232	-	19,322,232
Transfer of revaluation reserve		129,883	(129,883)	-
Balance at 31 December 2020		<u>70,590,060</u>	<u>3,646,017</u>	<u>74,236,077</u>

Notes and related statements forming part of these financial statements appear on pages 34 to 67

Report of the auditor – Pages 27 to 29 .

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 TZS '000	2020 TZS '000
Cash flows from operating activities			
Profit for the year		8,065,106	19,322,232
<i>Adjustments for:</i>			
-Depreciation	12	4,085,806	2,119,386
-Amortisation of intangible asset		-	52,337
-Gain on disposal of property and equipment		(203,831)	-
-Impairment of inventories	13	-	93,087
-Impairment of trade receivables	14	856,978	263,406
-Finance income	10(b)	(17,897)	(15,634)
-Finance cost	17	761,396	390,380
-Unrealised exchange differences		346	(342,149)
		<u>13,547,904</u>	<u>21,883,045</u>
Changes in:			
Inventories		(176,474)	272,861
Trade and other receivables		(1,005,518)	690,906
Grant receivables		1,837,146	(1,927,907)
Deferred grant income		(10,369,237)	3,078,653
Trade and other payables		1,558,175	394,853
Cash generated from operating activities		<u>5,391,996</u>	<u>24,392,411</u>
Interest received		17,897	15,634
Net cash generated from operating activities		<u>5,409,893</u>	<u>24,408,045</u>
Cash flows from investing activities			
Purchase of property and equipment	12	(10,900,427)	(19,693,245)
Proceeds on disposal of property and equipment		203,831	-
Net cash used in investing activities		<u>(10,696,596)</u>	<u>(19,693,245)</u>
Cash flows from financing activities			
Borrowings received during the year	17	6,895,604	-
Repayment of borrowings – principal	17	(6,304,043)	(1,347,677)
Repayment of borrowings – Interest	17	(738,043)	(390,380)
Net cash used in financing activities		<u>(146,482)</u>	<u>(1,738,057)</u>
Net (decrease)/increase in cash and cash equivalents		<u>(5,433,185)</u>	<u>2,976,743</u>
Cash and cash equivalents at 1 January		15,909,146	12,558,835
Effect of movements in exchange rates on cash held		-	373,568
Cash and cash equivalents at 31 December	16	<u>10,475,961</u>	<u>15,909,146</u>

Notes and related statements forming part of these financial statements appear on pages 34 to 67
Report of the auditor – Pages 27 to 29.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. REPORTING ORGANISATION

Comprehensive Community Based Rehabilitation in Tanzania (“CCBRT” or “the Organisation”) is a locally registered non-governmental organization established in 1994 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 Number 00002071, which certify that CCBRT has duly complied with the terms and conditions of NGO under the Non-Governmental Organisation Act, 2002.

The address of its registered office and principal place of business are disclosed on page 1 under Organisation Information section.

These financial statements relate only to the Organisation as identified in the first paragraph. The principal activities of the Organisation are provision of accessible, specialised health services.

2. BASIS OF ACCOUNTING

(a) Statement of compliance

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

(b) Date of First Adoption of IPSAS Basis

The date of adoption of IPSAS accrual basis is the date that an entity adopts IPSAS accrual basis for the first time. It is the start of the reporting period in which the first-time adopter adopts IPSAS accrual basis and for which it presents its first transitional IPSAS financial statements. The date of first adoption of Accrual Basis IPSAS for Organisation is 1 January 2021; the beginning of the earliest period for which Organisation presents its first IPSAS financial statements.

(c) Change in the basis of accounting

This is the Organisation’s first set of IPSAS financial statements upon transition from the previous financial statements prepared in accordance with International Financial Reporting Standards (IFRSs). The impact of the transition is described in the reconciliation disclosed in Note 28 while the significant accounting policies applicable for the new basis of accounting (IPSAS) are described in Note 4 to the financial statements.

(d) Basis of measurement

The financial statements are prepared on the historical cost basis, except where fair value measurements have been applied and specified as such in the accounting policies.

(e) Functional and presentation currency

These financial statements are presented in Tanzanian Shillings (TZS), which is the Organisation’s functional currency and presentation currency. All financial information presented in Tanzanian Shillings has been rounded to the nearest thousand (TZS ‘000), unless otherwise indicated.

(f) Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

2. BASIS OF ACCOUNTING (CONTINUED)

(f) Use of estimates and judgements (Continued)

Significant estimates are made for:

i) Allowance for doubtful debts

The Organisation make judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the receivables. The Organisation applies a simplified approach in calculating Expected Credit losses (ECLs). Therefore, the Organisation does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Organisation has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Organisation analysed historical sales, receivables aging, and loss data for the past three years to determine the appropriate basis for developing its expected lifetime credit loss on the trade receivables portfolio.

ii) Impairment inventories

The Organisation 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 Organisation assesses its inventory aging, the expected expiry dates on consumable and medicine stock as well as the demand for the stock items.

iii) Useful lives and residual values of property and equipment

The Organisation tests annually whether the useful life and residual value estimates were appropriate and in accordance with its accounting policy. Useful lives and residual values of property and equipment have been determined based on previous experience and anticipated disposal values when the assets are disposed.

iv) Going concern

Refer to Note 23 Going concern: Governing Board Members have assessed the going concern and are of the opinion that there are no material uncertainties that may cast significant doubt on the Organisation's ability to continue as a going concern.

Further information about the critical judgements is included in the respective notes.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

3. STANDARD ISSUED BUT NOT YET EFFECTIVE

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

Approved Standard	Changes	Effective Date
IPSAS 42: Social Benefits	<p>The objective of the standard is to improve the relevance, faithful representativeness, and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial report assess:</p> <ul style="list-style-type: none"> a) The nature of such social benefits provided by the entity. b) The key features of the operation of those social benefit schemes, and c) The impact of such social benefits provided on the entity's financial performance, financial position, and cash flows. <p>To accomplish that, this IPSAS establishes principles and requirement for:</p> <ul style="list-style-type: none"> a) Recognizing expenses and liabilities for social benefits b) Measuring expenses and liabilities for social benefits c) Presenting information about social benefits in financial statements and d) Determining what information to disclose to enable users of financial statements to evaluate the nature and financial effects of the social benefits provided by reporting entity. 	<p>Effective for annual periods beginning on or after 1st January 2023.</p> <p>Earlier application is permitted</p>
IPSAS 44: Non-current Assets Held for Sale and Discontinued Operations.	<p>This standard specifies the accounting for assets held for sale and the presentation and disclosure of discontinued operations. IPSAS 44 includes additional public sector requirements, in particular, the disclosure of the fair value of assets held for sale that are measured at their carrying amounts, when the carrying amount is materially lower than their fair value.</p>	<p>Effective for annual periods beginning on or after 1st January 2025.</p> <p>Earlier application is permitted</p>

Management has decided to early adopt IPSAS 41 Financial Instruments and IPSAS 43 Leases which are effective from the period beginning 1 January 2022 and 1 January 2025 respectively. The early adoption of the two standards do not have significant impact on the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

a) Revenue

i) Revenue from exchange transactions

Exchange transactions are transactions in which one entity receives assets or services, or has liability extinguished, or directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in the exchange.

CCBRT's revenue from exchange transactions include mainly patient service revenue. It is measured at the fair value of the consideration received or receivable and is recognized only when it is probable that the economic benefit or service potential associated with the transaction will flow to the entity.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Revenue (continued)

ii) Revenue from non-exchange transactions

The main source of revenue from non-exchange transactions for the Organisation comes from donors grants, donations in-kind and other donations, and contributions from various stakeholders, can be in form of cash or non-cash. Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognized as an asset shall be recognized as revenue, except to the extent that a liability is also recognized in respect of the same inflow.

As the Organization satisfies a present obligation recognized as a liability in respect of an inflow of resources from a non-exchange transaction recognized as an asset, it shall reduce the carrying amount of the liability recognized and recognize an amount of revenue equal to that reduction.

When the Organization recognizes an increase in net assets as a result of a non-exchange transaction, it recognizes revenue. If it has recognized a liability in respect of the inflow of resources arising from the non-exchange transaction, when the liability is subsequently reduced, because a condition is satisfied, it recognizes revenue.

Measurement

Revenue from non-exchange transactions is measured at the amount of the increase in net assets recognized by the Organization.

When, as a result of a non-exchange transaction, the Organization recognizes an asset, it also recognizes revenue equivalent to the amount of the asset unless it is also required to recognize a liability. Where a liability is required to be recognized it will be measured at the best estimate of the amount required to settle the present obligation at the reporting date, and the amount of the increase in net assets, if any, recognized as revenue.

Revenue from non-exchange transactions for the Organization during the year comprised of conditional and restricted grants, donations and contributions in kind.

b) Finance income and cost

Interest income and expense for all interest-bearing financial instruments are recognised within 'finance income' or 'finance cost' respectively in the statement of financial performance using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Finance income and cost (continued)

However, 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.

c) Other income

Other income comprises of gain on disposal of property and equipment as well as and other program income.

d) Employee benefits

i) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. Short term benefits include salaries and allowances paid to the employees as per the Organisation remuneration policy.

ii) Defined contribution plan

The Organisation makes statutory Contributions to the National Social Security Fund (NSSF). The Organisation's obligations in respect of contributions to such funds are 10% of the employees' gross emoluments. Contributions to these pension funds are recognised as an expense in the period the employees render the related services. The Organisation has neither a legal nor constructive obligations to pay further contributions if NSSF does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Organisation has no further payment obligations once the contributions have been remitted to the NSSF.

iii) Termination benefits

Termination benefits are recognised as an expense in the year when it becomes payable. Termination benefits are determined in accordance with the local labour laws.

e) Operating costs

Operating costs in respect of goods and services is generally recognized in the statement of financial performance at the time it is incurred.

f) Foreign currencies

Transactions in foreign currencies are translated to the functional currency (Tanzania shillings) at exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Foreign currencies (continued)

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in statement of financial performance under 'finance cost and income' in the period in which they arise

g) Financial instruments

i) Recognition and initial measurement

The Organisation recognizes a financial asset or a financial liability in its statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument.

At initial recognition, the Organisation classifies and measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

ii) Classification and subsequent measurement

The Organisation classifies financial assets as subsequently measured at amortized cost, fair value through net assets/equity or fair value through surplus or deficit on the basis of both:

- The entity's management model for financial assets and
- The contractual cash flow characteristics of the financial asset.

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

A financial asset is measured at amortized cost if both of the following conditions are met:

- The financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

A financial asset is measured at fair value through net assets/equity if both of the following conditions are met:

- The financial asset is held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Organisation may, at initial recognition, irrevocably designate a financial asset as measured at fair value through surplus or deficit if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

After initial recognition, the Organisation measure a financial asset at:

- Amortized cost;
- Fair value through net assets/equity; or
- Fair value through surplus or deficit.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Financial instruments (Continued)

ii) Classification and subsequent measurement (Continued)

The Organisation classifies all financial liabilities as subsequently measured at amortized cost, except for:

- Financial liabilities at fair value through surplus or deficit. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.
- Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies.
- Financial guarantee contracts.

A gain or loss on a financial asset or financial liability that is measured at fair value shall be recognized in surplus or deficit unless:

- It is part of hedging relationship
- It is an investment in an equity instrument and the organisation has elected to present gains and losses on that investment in net assets
- It is financial liability designated as at fair value through surplus or deficit and the entity is required to present the effects of changes in liability's credit risk in net assets
- It is financial asset measured at fair value through net assets and the entity is required to recognise some changes in fair value in net assets.

iii) Derecognition

Financial assets

The Organisation derecognises a financial asset when:

- the contractual rights to receive the cash flows from the financial asset expire or are waived, or
- it transfers the rights to receive the cash flows of the financial assets or retain the contractual rights to receive the cash flows of the financial assets but assumes the contractual obligation to pay the cash flows to one or more entities ("the eventual recipient" in an arrangement it shall evaluate the extent to which it retains the risks and rewards of ownership of the financial asset. In this case:
 - i) If the entity transfers substantially all the risks and rewards of ownership of the financial asset, the entity shall derecognize the financial asset and recognize separately as assets or liabilities any rights and obligations created or retained in the transfer.
 - ii) If the entity retains substantially all the risks and rewards of ownership of the financial asset, the entity shall continue to recognize the financial asset.
 - iii) If the entity neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the entity shall determine whether it has retained control of the financial asset. In this case:
 - a. If the entity has not retained control, it shall derecognize the financial asset and recognize separately as assets or liabilities any rights and obligations created or retained in the transfer.
 - b. If the entity has retained control, it shall continue to recognize the financial asset to the extent of its continuing involvement in the financial asset.

Financial liabilities

The Organisation removes a financial liability (or a part of a financial liability) from its statement of financial position when, and only when, it is extinguished-i.e., when the obligation specified in the contract is discharged, waived, cancelled or expires.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Financial instruments (Continued)

Financial liabilities

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognized in surplus or deficit.

iv) Offsetting

A financial asset and a financial liability are offset and the net amount presented in the statement of financial position when, and only when, an entity: Currently has a legally enforceable right to set off the recognized amounts; and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h) Impairment

i) Non-derivative financial assets

Financial instruments and contract assets

The Organisation recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt investments measured at Fair Value (FV) through Net Assets; and
- contract assets.

The Organisation measures loss allowances at an amount equal to lifetime ECLs. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Organisation considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Organisation's historical experience and informed credit assessment and including forward-looking information.

The Organisation assumes that the credit risk on a financial asset has increased significantly if it is more than 92 days past due.

The Organisation considers a financial asset to be in default when:

- the borrower/customer is unlikely to pay its credit obligations to the Organisation in full, without recourse by the Organisation to actions such as realising security (if any is held); or
- the financial asset is more than 92 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

Measurement of ECL's

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Organisation in accordance with the contract and the cash flows that the Organisation expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Impairment (continued)

i) Non-derivative financial assets (continued)

Credit-impaired financial assets

At each reporting date, the Organisation assesses whether financial assets carried at amortised cost and debt securities at FV Net Assets are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the customer or borrower;
- a breach of contract such as a default or being more than 92 days past due;
- the restructuring of a loan or advance by the Organisation on terms that the Organisation would not consider otherwise;
- it is probable that the customer/borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Organisation measures loss allowances at an amount equal to lifetime ECLs. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Organisation considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Organisation's historical experience and informed credit assessment and including forward-looking information.

Write-off

The Organisation directly reduce the gross carrying amount of a financial asset when it has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

ii) Non-financial assets

At each reporting date, the Organisation reviews the carrying amounts of its non-financial assets (other than inventories) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (GCUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

i) Property and equipment

Property and equipment are initially recognised at cost. Buildings are subsequently measured at revalued amount, based on valuations by external independent valuer, less depreciation. All other property and equipment are stated at historical cost less depreciation.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Property and equipment (Continued)

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 accumulated surplus. The relevant amount of the revaluation reserve is also released on the disposal of re-valued assets.

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 Organisation 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 surplus or deficit 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>	Rate (%)
Buildings	4
Tools and Machinery	12.5
Motor vehicles	25
Motorcycles and bicycles	25
Equipment	12.5
Furniture and Fittings	12.5
Computers	33.33

Capital Work in Progress

Construction on progress is initially recorded at historical cost at the date of a report which includes expenditure that is directly attributable to the construction of the Property and equipment. These are not depreciated until they become available for use/ ready for use.

j) 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.

k) Leases

At inception of a contract, the Organisation assesses whether a contract is, or contains, a lease. 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. To assess whether a contract conveys the right to control the use of an identified asset, the Organisation uses the definition of a lease in IPSAS 43.

Organisation as a lessee

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

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

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k) Leases (Continued)

Organisation as a lessee (continued)

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

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

The Organisation determines its incremental borrowing rate by analysing its borrowings from various external sources and makes certain adjustments to reflect the terms of the lease and type of asset leased. Lease payments included in the measurement of the lease liability comprise the following:

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

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

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Organisation presents right-of-use assets and its related lease liabilities in the statement of financial position.

Short term leases and leases of low value assets

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

l) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the price at which inventories can be sold in the normal course of business after allowing for the costs of realisation. Inventory value is stated net of provision for obsolescence. Obsolete, redundant and slow-moving inventories are identified on a regular basis and are written down to their estimated net realisable value. A provision is made for slow moving stocks and the related expense is recorded under operating costs.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m) Cash and cash equivalents

Cash and cash equivalents include cash in hand and demand and term deposits, with maturities of three months or less from the date of acquisition, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts repayable on demand. In the statement of financial position, bank overdrafts are included as borrowings under current liabilities.

n) Taxation

The Governing Board Members consider the Organisation 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 Organisation to be granted a charitable organisation status. This application was made and approved by Commissioner for Domestic Revenue on 7th November 2007.

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

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

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

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 Financial performance over the period of the borrowings, using the effective interest method. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset should be capitalized as part of the cost of that asset

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 Organisation has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

p) Grant receivable

Grant receivable is an increase in net assets as a result of a non exchange transaction when revenue is recognised. It represents excess of expenditure over receipts for specific grant from donors and development partners, with a binding arrangement in place.

q) 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 less provision for impairment.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

r) Retained earnings

The retained earnings record the total of all accumulated surplus or deficits achieved by the Organisation since its inception.

At the end of each reporting period, all amounts recognized in the statement of financial performance contributing to the surplus or deficit for that period are transferred into net assets and become part of the Organisation's retained earnings.

s) Provisions

Provisions are recognised when: the Organisation has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

t) Related party transactions

The Organisation discloses the nature, volume and amounts outstanding at the end of each financial period from transactions with related parties, which include transactions with the Key Management Personnel.

u) Contingencies and commitments

Contingent liabilities are disclosed in the financial statements where there is a possible obligation, but payment is not probable, or the amount cannot be measured reliably. Contingent assets are disclosed where an inflow of economic benefits is probable. When the realization of income is virtually certain, then the related asset is recognized as appropriate. Commitments are disclosed in respect to the obligation of the Organisation to external entities that arises in connection with the legal contracts executed by the Organisation.

v) Subsequent events

An event that occurs after a reporting period, but before the financial statements have been issued or are available to be issued that provides new information about a condition that did not exist on the balance sheet date are disclosed in the financial statements. However, events that provides additional information about pre-existing conditions that existed on the balance sheet date are adjusted in the financial statements.

5. FINANCIAL RISK MANAGEMENT

The Organisation's activities expose it to a variety of financial risks, namely market risk, credit risk and liquidity risk. The Organisation's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. The Organisation 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.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk

(i) Foreign exchange risk

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

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

Exposure to currency risk for foreign denominated amounts in the following classes of financial instruments is as depicted in the schedule below.

31 December 2021	USD	EUR	Total
	TZS '000	TZS '000	TZS '000
Trade payables	(394,003)	(577,103)	(971,106)
Borrowings	(6,919,138)	-	(6,919,138)
Cash and cash equivalents	1,466,696	7,682,131	9,148,827
Net exposure	<u>(5,846,445)</u>	<u>7,105,028</u>	<u>1,258,583</u>

31 December 2020	USD	EUR	Total
	TZS '000	TZS '000	TZS '000
Trade payables	(416,904)	-	(416,904)
Borrowings	(6,303,878)	-	(6,303,878)
Cash and cash equivalents	3,269,183	11,815,580	15,084,763
Net exposure	<u>(3,451,599)</u>	<u>11,815,580</u>	<u>8,363,981</u>

Disclosure around market risk also relates to sensitivity analysis of the type of market risk – currency risk, showing how the income profit or loss and equity would have been affected by reasonably possible changes in the relevant risk variable at the year-end date. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast incomes and expenditures.

A sensitivity analysis in relation to net exposure for 5% strengthening of the USD and EUR against TZS is provided below:

31 December 2021	USD	EUR	Total
	TZS '000	TZS '000	TZS '000
Increase/(decrease) in surplus or deficit	<u>(291,146)</u>	<u>(355,251)</u>	<u>(646,397)</u>
Increase/(decrease) in net assets	<u>(291,146)</u>	<u>(355,251)</u>	<u>(646,397)</u>

31 December 2020	USD	EUR	Total
	TZS '000	TZS '000	TZS '000
Increase/(decrease) in surplus or deficit	<u>(172,580)</u>	<u>590,779</u>	<u>418,199</u>
Increase/(decrease) in net assets	<u>(172,580)</u>	<u>590,779</u>	<u>418,199</u>

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (continued)

(i) Foreign exchange risk (continued)

The following significant exchange rates have been applied.

	Year-end spot rate		Average rate	
	2021	2020	2021	2020
USD/ TZS	2,298	2,298	2,298	2,294
EUR/TZS	2,607	2,821	2,695	2,695

(ii) Interest rate risk

The interest rate risk exposure arises mainly from interest rate movements on the Organisation's borrowings. The Organisation is not exposed to interest rate risk as at year end due to fixed rate of interest on borrowings.

Credit risk

Credit risk is the risk of financial loss to the Organisation if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Organisation's trade and other receivables and cash at bank balances. The Organisation's exposure to credit risk is influenced mainly by the individual characteristics of a particular Party to the financial instruments. The exposure to credit risk is monitored on an on-going basis.

The Organisation has established a credit policy under which each new customer is analysed individually for creditworthiness before the Organisation's standard payment terms and conditions and service delivery mode are offered. Other debtors are not having standard credit characteristics; they differ depending on whether they are normal debtors, "governed by specific debtor terms" or the creditworthiness of Organisation from which they are receivable.

Credit risk is managed by the Chief Finance Officer, except for credit risk relating to trade receivables. The Entity Billing manager assesses the credit quality of each customer, taking into account its financial position, past experience and other factors.

The amount that best represents the Organisation'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 have had their terms renegotiated.

Expected credit losses (ECLs):

The Organisation applies a simplified approach in calculating ECLs. The Organisation has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Organisation considers reasonable and supportable information that is relevant and available without undue cost or effort applicable for the Organisation.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Interest rate risk (continued)

Credit risk (continued)

This includes both quantitative and qualitative information and analysis, based on the Organisation's historical experience and informed credit assessment and including forward-looking information where applicable.

	Total TZS'000	Fully performing TZS'000	Past due TZS'000	Impaired TZS'000
31 December 2021				
Trade receivables (Note 14) – gross	2,111,187	1,197,061	214,834	699,292
Amount due from Kupona Foundation	2,770,171	-	-	2,770,171
Cash at bank	10,664,300	10,664,300	-	-
	<u>15,545,658</u>	<u>11,861,361</u>	<u>214,834</u>	<u>3,469,463</u>
31 December 2020				
Trade receivables (Note 14) – gross	1,895,998	1,311,279	255,965	328,754
Training centre receivable	13,224	13,224	-	-
Amount due from Kupona Foundation	2,770,171	-	-	2,770,171
Cash at bank	15,891,032	15,891,032	-	-
	<u>20,570,425</u>	<u>17,215,535</u>	<u>255,965</u>	<u>3,098,925</u>

The default rate for balances under the fully performing category is low.

The debts that are past due are not impaired and continue to be paid. Management is actively following these debts. The debts that are impaired have been fully provided for. However, management is actively following up recovery of the impaired debts.

Movement in the provision of trade and other receivables is as follows;

	2021 TZS'000	2020 TZS'000
At start of the year	3,098,925	3,077,088
Impairment written off	-	(241,569)
Increase in impairment	352,443	263,406
At 31 December	<u>3,451,368</u>	<u>3,098,925</u>

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Interest rate risk (continued)

Credit risk (continued)

Cash at 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 2021, the held at banks by type of counterparty was as follows:

	2021	2020
<u>Cash at bank analysis</u>	<u>TZS'000</u>	<u>TZS'000</u>
Bank of Africa	6,433,149	14,611,797
Azania Bank Limited	893	397,968
NMB Bank Plc	463,955	1,184
NBC Bank Limited	358,727	379,127
Stanbic Bank	7,788	8,714
Barclays Bank Tanzania Limited	100,371	31,621
CRDB Bank	3,298,448	459,652
MIC Tigo Pesa	500	500
Vodacom M pesa	469	469
Total cash at bank	<u>10,664,300</u>	<u>15,891,032</u>

Trade receivables:

The Organisation's trade receivables mainly relate to receivables from medical insurance companies. The Organisation mainly accepts medical insurance from NHIF, AAR, Jubilee, Strategies, and other 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) financial difficulties of the counterparty;
- (b) consistent failure by the counterparty to settle the amount due on time;
- (c) adverse market conditions affecting the counterparty;
- (d) Historical experience in dealing with the insurance organisation including change in the purchase behaviour; and
- (e) The impact of the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their balances. 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.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

5. FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(ii) Interest rate risk (continued)

Credit risk (continued)

Trade receivables: (continued)

The below table provides an analysis of receivable balance as at the year-end per counterparty.

Counter party	Outstanding balance	
	2021 TZS '000	2020 TZS '000
National Health Insurance Fund	1,624,973	1,515,354
AAR Insurance Tanzania	138,220	168,920
Strategies Insurance Tanzania	155,677	113,178
The Jubilee Insurance Company Tanzania	80,295	68,366
Other Health Insurance Providers	112,022	30,180
Kupona Foundation	2,770,171	2,770,171
Project Management Institute	-	13,224
	<u>4,881,358</u>	<u>4,679,393</u>

Below is the ageing profile of trade receivables indicating past due and current receivables:

	2021 TZS '000	2020 TZS '000
Past due 0 – 30 days	695,144	1,653,256
Past due 31 – 60 days	501,917	44,074
Past due 61 – 90 days	124,145	59,640
Past due 91 – 120 days	90,689	29,173
Past due > 120 days	3,469,463	2,893,250
	<u>4,881,358</u>	<u>4,679,393</u>

The above classification reflects the timing at which the respective customers in the database made payments. This does not necessarily imply consistency of payments from the respective customers based on the contractual terms.

Other receivables:

Other receivables include the amounts due from NSSF, NHIF, staff imprest and salary advances made to various employees.

Management performed an impairment assessment on these balances by considering historical experience and concluded that the identified impairment loss was material which was recognised accordingly.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

5. FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Organisation 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 Organisation's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows:

	Less than 1 year TZS '000	Between 1 and 5 years TZS '000	Over 5 years TZS '000
At 31 December 2021:			
Trade and other payables**	5,479,484	-	-
Bank borrowings	875,279	3,417,392	2,626,467
Bank overdraft	192,452	-	-
	<u>6,547,215</u>	<u>3,417,392</u>	<u>2,626,467</u>
At 31 December 2020:			
Trade and other payables**	3,932,502	-	-
Bank borrowings	6,303,878	-	-
	<u>10,236,380</u>	<u>-</u>	<u>-</u>

**Trade and other payables do not include withholding taxes, advance income and other employment related deductions amounting to TZS 1,761,869,000 (2020: TZS 1,750,676,000).

Capital risk management

The Organisation'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 Organisation 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 liabilities less Organisation's own cash and cash equivalents. Total capital is calculated as reserves plus net debt. The gearing ratios at 31 December 2021 and 2020 were as follows:

	2021 TZS'000	2020 TZS'000
Total borrowings (Note 17)	6,919,138	6,303,878
Overdraft	192,542	-
Add: cash and cash equivalents	1,901,425	380,781
Net debt	9,013,105	6,684,659
Total reserves	82,301,183	74,236,077
Total capital	91,314,288	80,920,736
Gearing ratio	9.87%	8.30%

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

6. REVENUE FROM NON – EXCHANGE TRANSACTIONS

	2021	Restated*
	TZS'000	2020 TZS'000
Grants-Donors (Note 6(a))	26,541,755	32,428,092
In-Kind Donations (Note 6(b))	220,118	305,814
Donations and contributions	424,080	56,966
Transfers from other Government Entities	63,904	88,488
	<u>27,249,857</u>	<u>32,879,360</u>
(a) Grants-Donors		
Danish International Development Agency (DANIDA)	3,573,551	3,702,719
Global Affairs Canada (GAC)	3,720,647	1,217,981
Christian Blind Mission (CBM)	3,011,019	3,478,793
Irish Aid	863,810	1,830,738
Vodafone Foundation-USAID	-	2,413,263
Light for the World	446,426	247,725
Porticus	76,757	163,557
Johnson & Johnson (J & J)	952,138	691,770
Kupona Foundation	73,218	14,074
Wheelchair Support	-	40,060
WISE	106,660	423,146
Miracle feet	65,170	136,350
MIC Tanzania Limited	110,018	110,004
Humanitarian Grand Challenges Canada	78,111	-
The Charitable Foundation (TCF)	-	208,877
CEFA	-	20,030
Fistula Foundation	1,103,600	1,365,111
Laerdal Foundation	15,590	12,632
Australian High Commission Direct Aid Programme		82,542
KFW	10,969,343	14,038,882
EngenderHealth	101,805	143,172
Community Action for People with Disabilities in Africa (CAPDA)	40,104	44,158
Special Fund for Disabled-International Committee of the Red Cross (SFD-ICRC)	21,327	36,855
Figo Covid'19		5,712
UNICEF	22,779	22,838
Amref	310,220	123,603
The international Foundation	-	51,841
Rehabilitation international	-	12,632
Humanitarian grand challenger	-	158,210
Dorothea Haus Ross Foundation	9,386	-
Equinor	14,711	36,277
EHFK	521,740	1,360,693
EDHR	42,203	87,880
Spider	54,479	65,565
McLain Association	-	668
Smile Train	41,568	5,907
AFTAH	195,375	
Wilde Ganzen Foundation		73,827
	<u>26,541,755</u>	<u>32,428,092</u>

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

6. REVENUE FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

	2021 TZS '000	2020 TZS '000
(b) In-Kind Donations		
Other Donors-Medicines and other consumable materials	34,816	295,457
Government-Medicines and other consumable materials	<u>185,302</u>	<u>10,357</u>
	<u>220,118</u>	<u>305,814</u>

7. REVENUE FROM EXCHANGE TRANSACTIONS

Revenue from hospital service	11,647,066	9,855,980
Revenue from Advocacy consultation	5,915	-
Revenue from Handcraft sales	260,233	169,824
Revenue from rehabilitation services-Moshi	141,620	76,055
Revenue from training fees-Academy	<u>-</u>	<u>83,417</u>
	<u>12,054,834</u>	<u>10,185,276</u>

8. OTHER INCOME

Refunds	-	62,909
Gain on disposal of Property and equipment	203,831	-
Other programme income	<u>202,794</u>	<u>212,889</u>
	<u>406,625</u>	<u>275,798</u>

9. OPERATING COSTS

Employee benefit expenses (Note 11)	14,129,706	14,351,938
Cost of consumables	2,922,620	2,562,307
Patients' subsidies and individual aid	794,840	568,290
Clearing and forwarding costs	85,584	124,726
Depreciation expenses (Note 12)	4,085,806	2,119,386
Amortisation expense	-	52,337
Training	2,484,705	167,274
Consultancy	2,121,582	1,456,167
NSSF penalty	777,067	-
Premises and utility costs	738,682	584,356
Repairs and maintenance	271,380	116,236
Security charges	139,205	161,478
Audit fee – current year	192,651	234,078
Legal fee	59,107	41,148
Communication and advertisement	81,470	57,272
General and Administration expenses	771,964	410,771
Transport and motor vehicles expenses	54,036	253,491
Bank charges	238,954	54,357
Accrued Interest-Vodafone USAID	<u>35,847</u>	<u>-</u>
	<u>29,985,206</u>	<u>23,315,612</u>

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

10. FINANCE INCOME AND COST

	2021 TZS '000	2020 TZS '000
a) Finance costs		
Interest expense on bank loan	(703,942)	(344,131)
Interest expense on overdraft facility	(34,576)	(46,232)
Net foreign exchange loss	(83,034)	(438,023)
	<u>(821,552)</u>	<u>(828,386)</u>
b) Finance income		
Interest income on call deposits	17,897	15,634
Net exchange gains	-	373,568
	<u>17,897</u>	<u>389,202</u>

11. EMPLOYMENT BENEFIT EXPENSES

	2021 TZS '000	2020 TZS '000
Salaries and wages	12,432,800	12,414,910
Social security funds contributions	1,174,226	1,507,842
Other staff benefits	522,680	429,186
	<u>14,129,706</u>	<u>14,351,938</u>

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

12. PROPERTY AND EQUIPMENT

	Buildings		Motor vehicles		Motorcycles & bicycles		Equipment		Computers		Furniture & fittings		Tools and machinery		Capital work in-progress		Total	
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
Year ended 31 December 2021																		
Opening net book value	15,302,934	-	-	-	1,402,031	169,999	210,520	2,262,571	62,222,579	81,570,634								
Additions	1,660,074	-	-	-	48,728	53,855	59,677	871,865	8,206,228	10,900,427								
Transfers	62,215,784	-	-	-	-	-	-	-	(62,215,784)	-								
Depreciation charge	(2,963,034)	-	-	-	(405,988)	(122,276)	(93,670)	(500,838)		(4,085,806)								
Closing net book value	76,215,758	-	-	-	1,044,771	101,578	176,527	2,633,598	8,213,023	88,385,255								
At 31 December 2021																		
Cost/ valuation	81,120,353	1,021,064	18,132	5,884,520	1,706,827	1,173,589	4,681,798	8,213,023	103,819,306									
Accumulated depreciation	(4,904,595)	(1,021,064)	(18,132)	(4,839,749)	(1,605,249)	(997,062)	(2,048,200)	-	(15,434,051)									
Net book value	76,215,758	-	-	1,044,771	101,578	176,527	2,633,598	8,213,023	88,385,255									

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)**

12 PROPERTY AND EQUIPMENT (CONTINUED)

	Buildings	Motor vehicles	Motorcycles & bicycles	Equipment	Computers	Furniture & fittings	Tools and machinery	Capital work in-progress	Total
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
Year ended 31 December 2020									
Opening net book value	16,178,059	-	-	1,809,310	280,807	320,218	2,407,354	43,001,027	63,996,775
Additions	-	-	-	96,025	56,553	-	319,115	19,221,552	19,693,245
Depreciation charge	(875,125)	-	-	(503,304)	(167,361)	(109,698)	(463,898)	-	(2,119,386)
Closing net book value	15,302,934	-	-	1,402,031	169,999	210,520	2,262,571	62,222,579	81,570,634
At 31 December 2020									
Cost/ valuation	18,639,882	1,021,064	18,132	5,835,793	1,652,972	1,113,911	3,809,932	62,222,579	94,314,265
Accumulated depreciation	(3,336,948)	(1,021,064)	(18,132)	(4,433,762)	(1,482,973)	(903,391)	(1,547,361)	-	(12,743,631)
Net book value	15,302,934	-	-	1,402,031	169,999	210,520	2,262,571	62,222,579	81,570,634

(i) 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 Organisation’s hospital facilities have been constructed. The Trustees have granted the Organisation 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. Currently, the Organisation is finalising the process of transferring the land from the Trusteeship.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

12. PROPERTY AND EQUIPMENT (CONTINUED)

(ii) The Organisation's buildings were revalued on 31 March 2019 by independent professional valuers, J&B property Management Consultants (T) limited. Level 2 fair values for buildings were derived using depreciated replacement cost method. 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)

(iii) Fully depreciated assets.

The asset categories below are accounts for fully depreciated assets.

	2021	2020
	TZS '000	TZS '000
Motor Vehicles	258,442	1,021,064
Furniture and Fittings	305,867	304,002
Motorcycles and Bikes	18,132	18,132
Equipment's	2,754,370	2,215,975
Tools and Machinery	25,874	25,874
Intangible assets	866,126	866,126
	<u>4,228,811</u>	<u>4,451,173</u>

13. INVENTORIES

	2021	2020
	TZS '000	TZS '000
Medical Consumables	909,944	1,100,422
Non-Medical Consumable	250,029	37,231
Medicine	316,685	294,983
Optical Devices and Consumables	562,840	476,622
ICT Stocked Items	2,223	12,082
Finished Spectacles	-	7,798
Handcraft Items	30,599	42,266
Office Stationery and Consumables	83,555	5,678
Raw Material (CBT)	15,731	9,534
Mabinti WIP (CBT)	2,936	11,452
Provision for obsolete inventories	(102,733)	(102,733)
	<u>2,071,809</u>	<u>1,895,335</u>

The amount of inventories recognised as expense and charged to the cost of consumables during the year is TZS 2,922,620,000 (2020 – TZS 2,562,307,000).

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

13. INVENTORIES (CONTINUED)

Movement on the provision for inventory impairment:

	2021	2020
	TZS '000	TZS '000
At 1 January	102,733	9,646
Charged to surplus or deficit	-	93,087
At 31 December	<u>102,733</u>	<u>102,733</u>

During the period there were no additional impairment made on the inventories.

14. TRADE AND OTHER RECEIVABLES

	2021	2020
	TZS '000	TZS '000
Trade receivables	2,111,187	1,895,998
Training centre receivables	-	13,224
Due from Kupona Foundation	2,770,171	2,770,171
Less: provision for impairment losses	(3,451,368)	(3,098,925)
Trade receivables and other receivables – net	<u>1,429,990</u>	<u>1,580,468</u>
Prepayments	1,618,984	716,537
Advances and imprest balances	38,990	162,420
Refund receivable	506,375	481,839
Impairment provision	(719,888)	(215,353)
	<u>2,874,451</u>	<u>2,725,911</u>

Movement on the provision for financial assets:

At 1 January	3,098,925	3,077,088
Charged to surplus or deficit	352,443	263,406
Write offs	-	(241,569)
At 31 December	<u>3,451,368</u>	<u>3,098,925</u>

Movement on provision for non-financial assets:

At 1 January	215,353	215,353
Charged to surplus or deficit	504,535	-
Write offs	-	-
At 31 December	<u>719,888</u>	<u>215,353</u>

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

15. GRANT RECEIVABLES

	2021 TZS '000	Restated* 2020 TZS '000
CBM 3736	-	214,196
Canadian Academy of Psychologists in Disability Assessment (CAPDA)	-	740
Tigo	-	5
DANIDA	-	1,621,679
Engender Health	112,761	113,287
	<u>112,761</u>	<u>1,949,907</u>

16. CASH AND CASH EQUIVALENTS

	2021 TZS '000	2020 TZS '000
Cash at bank	10,664,300	15,891,032
Cash in-hand	4,203	18,114
Bank overdraft	(192,542)	-
	<u>10,475,961</u>	<u>15,909,146</u>

The Organisation has an overdraft facility with CRDB bank of TZS 1 billion (2020: Nil) at an interest rate of 14.5% p.a for 12 months from the date of first drawdown, for the purpose of financing its working capital requirement. The Organisation made its first drawdown in September 2021.

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 Organisation the right over the use of the land for its charitable activities.

17. BORROWINGS

	2021 TZS '000	2020 TZS '000
Non-Current		
Bank borrowings	<u>6,043,859</u>	-
	-	-
Current		
Bank borrowings	<u>875,279</u>	<u>6,303,878</u>
Total borrowings	<u>6,919,138</u>	<u>6,303,878</u>

Reconciliation of movements of borrowings to cash flows arising from financing activities

At 1 January	6,303,878	7,620,136
Additional loan	6,895,604	-
Interest expenses	761,396	390,380
Repayment of interest	(738,043)	(390,380)
Repayment of principal	(6,304,043)	(1,347,677)
Unrealised exchange loss	346	31,419
At 31 December	<u>6,919,138</u>	<u>6,303,878</u>

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

17. BORROWINGS (CONTINUED)

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 Organisation the right over the use of the land for its charitable activities.

Originally the organisation had the loan facility with Bank of Africa of 5 years at a rate of 5%p. a. In July 2020 the loan was restructured by extending the loan tenor to 8 years, at the same interest rate of 5%p.a.

On 17 February 2021, the Organisation signed a re-financing agreement with CRDB to take-over the existing term loan from Bank of Africa, due to more flexible terms offered by the bank (CRDB) as indicated below:

Amount of loan taken over: USD 3,000,000

Repayment period: 120 months from take-over date including 12-month's grace period for repayment of principal

Interest: fixed interest rate of 7% per annum

Collateral: first ranking legal mortgage over a landed property described under Certificate of Title No. 47430, Plot No. 1409/1, Msasani, Dar es salaam

Financial covenants: None

The actual take over took place on 14 April 2021

18. DEFERRED GRANTS INCOME

	2021 TZS '000
192 - CBM 3833	29,501
CBM-COVID	15,128
CBM Germany	190,700
AMREF	48,073
Humanitarian Grand Challenges	41,684
IRISH AID	995,901
Equinor Tanzania	52,136
CBM	161,924
Fistula Foundation	873
J&J	720,746
J&J	28,343
Dorothea Haus Ross Foundation	88,041
ICRC - Support for Rehabilitation Services CCBRT	71,846
TCF	139,884
Johnson & Johnson Foundation	225,627
Laerdal Foundation	23,480
KfW	2,943,747
EHfK	1,477,418
CAPDA	12,350
CBM Switzerland	91,074
LFTW	100,088
	<u>7,458,564</u>

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

18. DEFERRED GRANTS INCOME (CONTINUED)

	2021 TZS '000
Current liability	7,458,564
Non-current liability	-
	<u>7,458,564</u>
	Restated*
	2020
	TZS '000
192 - CBM 3833	29,510
CBM-COVID	15,128
CBM Germany	1,139,571
AMREF	57,472
Humanitarian Grand Challenges	119,830
UNICEF	22,578
WISE	58,263
CBM Canada-TZS	11,564
CBM Canada-TZMO	23,364
Porticus	77,528
SPIDER	37,686
Fistula Foundation	150,198
Fistula Foundation	344,665
Australian High Commission Direct Aid Programme (DAP)	16,106
J&J	490,858
J&J	251,805
CEFA	24,858
ICRC - Support for Rehabilitation Services CCBRT	125,437
TCF	139,923
Smile Train	11,492
Smile Train	28,805
Smile Train	862
EIDHR (European Union for Democracy & Human Rights)	11,872
Laerdal Foundation	39,081
DFATD/GAC	2,521,301
DANIDA	2,875
KfW	11,149,664
EHfK	730,243
Miracle Feet	6,199
CBM Switzerland	91,097
LFTW	97,966
	<u>17,827,801</u>
	17,827,801
Current liability	16,500,932
Non-current liability	1,326,869
	<u>17,827,801</u>

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

19. TRADE AND OTHER PAYABLES

	2021 TZS '000	2020 TZS '000
Trade payables	3,346,680	3,586,944
Staff related liabilities	593,019	204,547
Accruals	2,079,799	183,573
Mabinti Shop	53,005	-
Statutory liabilities	42,195	1,273,392
Advance payments-costs sharing from patients	349,588	272,737
Due to Kupona Foundation	-	161,985
NSSF penalty	777,067	-
	<u>7,241,353</u>	<u>5,683,178</u>

20. CAPITAL COMMITMENTS

	2021 TZS '000	2020 TZS '000
Capital expenditure committed and contracted for	-	6,040,434
	<u>-</u>	<u>6,040,434</u>

The capital commitment relates to the construction of Maternity and New-born Hospital.

21. RELATED PARTY TRANSACTION AND BALANCES

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

The following table summarises remuneration paid to the Hospital Executive Committee:

	2021 TZS '000	2020 TZS '000
Salaries	1,037,117	1,180,449
Short-term benefits	421,721	497,774
Post-employment retirement benefits	301,744	118,045
	<u>1,760,582</u>	<u>1,796,268</u>

22. TAXATION

Income tax

The Organization is subject to Income Tax Laws of Tanzania under the Income Tax Act, 2004. During the year, there were no tax charges or payments made by the Organization to the Tanzania Revenue Authority with respect to corporate income tax (2020: Nil).

Deferred tax

At 31 December 2021, the Organization has deferred tax asset of TZS 16 billion (2020: TZS 15.3 billion). The movement in the deferred tax account is as follows:

	2021 TZS '000	2020 TZS '000
At the beginning of the year - Deferred tax asset	15,261,053	13,874,617
Credit for the year	863,288	1,386,436
At the end of the year - Deferred tax asset	<u>16,124,341</u>	<u>15,261,053</u>

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

22. TAXATION (CONTINUED)

Deferred tax (Continued)

The composition of the deferred tax assets at 31 December 2021 is as shown in the table below:

	2021 TZS '000	2020 TZS '000
Temporary difference from property and equipment	2,508,954	1,478,882
Fair Value Revaluations	3,646,017	3,646,017
Trade receivables impairment	(3,698,777)	(3,314,277)
Losses carried forward	<u>(56,204,000)</u>	<u>(52,681,392)</u>
Total giving rise to deferred tax asset	(53,747,806)	(50,870,770)
Provision for deferred tax asset at 30%	<u>(16,124,341)</u>	<u>(15,261,053)</u>

A deferred tax asset for unused tax losses and deductible temporary differences has not been recognised as it is not probable that future taxable profits will be available against which they can be utilised.

23. GOING CONCERN

The Organization's ability to continue as a going concern largely depends on funds received from different donors. The Organization had a surplus of TZS 8.5 billion for the year ended 31 December 2021 (December 2020: TZS 19.3 billion). As at the year end the Organization had a net current liability position of TZS 40.2 million (December 2020: (Net current liability of TZS 6.0 billion)).

Management has assessed all available information about the future, considering the possible outcomes of events and changes in conditions and the realistically possible responses that are available to such events and conditions. Those considerations include, among others, the current economic uncertainty and market conditions, which are exacerbated by the consequences of the conflict in Ukraine.

These financial statements have been prepared on the basis of accounting policies applicable to going concern.

24. FAIR VALUE MEASUREMENTS

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy (see note below the second table).

	Carrying amount TZS'000	Amortized cost financial assets TZS'000	Amortized cost financial liabilities TZS'000
31 December 2021			
Financial assets not measured at fair value			
Trade receivables (Note 14) – net of impairment	1,429,990	1,429,990	-
Refund receivables	506,375	506,375	
Cash at bank	<u>10,664,330</u>	<u>10,664,330</u>	
	<u>12,600,695</u>	<u>12,600,695</u>	<u>-</u>
Financial liabilities not measured at fair value			
Trade and other payables	3,131,346	-	3,131,346
Borrowings	6,919,138	-	6,919,138
Overdraft	<u>192,542</u>	<u>-</u>	<u>192,542</u>
	<u>10,243,026</u>	<u>-</u>	<u>10,243,026</u>

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

24. FAIR VALUE MEASUREMENTS (CONTINUED)

31 December 2020	Carrying amount TZS'000	Amortized cost financial assets TZS'000	Amortized cost financial liabilities TZS'000
Financial assets not measured at fair value			
Trade receivables (Note 14) – net of impairment	1,580,468	1,580,468	-
Refund receivables	418,839	418,839	
Cash at bank	<u>15,891,032</u>	<u>15,891,032</u>	
	<u>17,890,339</u>	<u>17,890,339</u>	<u>-</u>
Financial liabilities not measured at fair value			
Trade and other payables	3,932,502	-	3,932,502
Borrowings	<u>6,303,878</u>	<u>-</u>	<u>6,303,878</u>
	<u>10,236,380</u>	<u>-</u>	<u>10,236,380</u>

When measuring the fair value of an asset or liability, the Organisation uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation techniques as follows: -

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observed for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobserved inputs).

If the input used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Organisation has not disclosed the fair values of financial instruments such as borrowings, short-term receivables and payables, because their carrying amounts are a reasonable approximation of the fair values due to their short-term nature, loans have interest rate approximate to the market rate hence they are presented under “Financial assets/ liabilities not measured at fair value”.

25. COMPERATIVES

Certain comparative amount in the statement of financial statements has been restated, reclassified or re-presented, to conform to changes in presentation in the current year due to adoption of IPSAS.

26. ULTIMATE HOLDING ORGANISATION

On 22 May 2019, 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.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

27. SUBSEQUENT EVENTS

The Governing Board Members are not aware of any events after the reporting period which require adjustment or disclosure in the financial statements other than those already disclosed in these financial statements.

28. ADJUSTMENT ON PRIOR YEAR COMPARATIVE INFORMATION

This is the Organisation's first set of IPSAS financial statements upon transition from the previous financial statements prepared in accordance with International Financial Reporting Standards (IFRSs).

The adjustments are the result of accounting for revenue from non-exchange transactions relating to acquisition of property and equipment as there are no conditions attached. These were initially accounted for as capital grants and were amortised over the useful life of the property and equipment.

There is no impact on the total operating, investing or financing cash flows for the year ended 31 December 2020.

The impact of the transition is summarised in the table below.

1. Statement of financial position 1 January 2020

	As previously reported TZS'000	Adjustments TZS'000	As restated TZS'000
ASSETS			
Non-current assets	64,049,112	-	64,049,112
Current assets	18,522,341	-	18,522,341
Total assets	<u>82,571,453</u>	<u>-</u>	<u>82,571,453</u>
RESERVES AND LIABILITIES			
RESERVES			
Accumulated surplus	(559,215)	51,697,160	51,137,945
Revaluation reserve	3,775,900	-	3,775,900
	<u>3,216,685</u>	<u>51,697,160</u>	<u>54,913,845</u>
LIABILITIES			
Non-current liabilities			
Capital grant	51,697,160	(51,697,160)	-
Other non – current liabilities	8,663,976	-	8,663,976
	<u>60,361,136</u>	<u>(51,697,160)</u>	<u>8,663,976</u>
Total current liabilities	<u>18,993,632</u>	<u>-</u>	<u>18,993,632</u>
Total Liabilities	<u>79,354,768</u>	<u>(51,697,160)</u>	<u>27,657,608</u>
TOTAL RESERVE AND LIABILITIES	<u>82,571,453</u>	<u>-</u>	<u>82,571,453</u>

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

28. ADJUSTMENT ON PRIOR YEAR COMPARATIVE INFORMATION (CONTINUED)

2. Statement of financial position 31 December 2020

	As previously reported TZS'000	Adjustments TZS'000	As restated TZS'000
ASSETS			
Non-current assets	81,570,634	-	81,570,634
Current assets	22,480,299	-	22,480,299
Total assets	104,050,933	-	104,050,933
RESERVES AND LIABILITIES			
RESERVES			
Accumulated surplus	824,866	69,765,193	70,590,059
Revaluation reserve	3,646,017	-	3,646,017
	4,470,883	69,765,193	74,236,076
LIABILITIES			
Non-current liabilities			
Capital grant	69,765,193	(69,765,193)	-
Other non – current liabilities	1,326,869	-	1,326,869
	71,092,062	(69,765,193)	1,326,869
Total current liabilities	28,487,988	-	28,487,988
Total Liabilities	99,580,050	(69,765,193)	29,814,857
TOTAL RESERVE AND LIABILITIES	104,050,933	-	104,050,933

2. Statement of financial performance for 31 December 2020

	As previously reported TZS'000	Adjustments TZS'000	As restated TZS'000
Revenue and Income			
Revenue from non -exchange transactions	14,811,326	18,068,034	32,879,360
Other revenue streams and income	10,850,276	-	10,850,276
	25,661,602	18,068,034	43,729,636
Total expenses	(24,407,404)	-	(24,407,404)
Surplus for the year before tax	1,254,198	18,068,034	19,322,232
Tax expense	-	-	-
Net surplus for the year	1,254,198	18,068,034	19,322,232