

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

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

ORGANISATION INFORMATION

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

National Bank Commerce Limited
Moshi Branch
P. O. Box 3030
Kilimanjaro, Tanzania

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

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

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

CRDB Bank Plc
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
Plot No. 574 Haile Selassie Road, Masaki
Tax Identification No. 100-144-921
NBAA PF No. PF020
P. O. Box 1160
Dar es Salaam
Tanzania
Registration No. 107992

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 2022

1. INTRODUCTION

The Board of Directors of CCBRT has pleasure to submit the Annual Report and Financial Statements for the year ended 31 December 2022, which disclose the state of affairs of CCBRT for the year ended 31 December 2022.

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; and
- (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 2022, CCBRT provided clinical and rehabilitation services at two facilities, its hospital in Dar es Salaam and rehabilitation centre in Moshi, and further supported 23 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 CCBRTs purpose built maternity wing was opened in 2022. 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 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 2022 (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 2022 (CONTINUED)

8. SERVICE DELIVERY PERFORMANCE REVIEW

2022 General statistics	2021	2022			Total
	Total	CCBRT		Rural facilities /outreach	
		Standards	Private		
Patients Served					
All Patients served	113,159	84,648	26,503	2,986	114,137
New Patients served	39,953	29,397	10,886	1,181	41,464
Subsidized Patients served (Patients received services from standard)	85,944	84,648	N/A	2,986	87,634
Free Patients served (\leq 5 years patients, fistula patients, cleft lip/palate)	15,620	13,539	N/A	1,386	14,925
New					
New case Eye	21,894	18,729	4,327	-	23,056
New case Ortho	5,392	5,556	1,725	-	7,281
New case Clubfoot	428	401	-	21	422
New case Cleft lip / palate	670	432	-	N/A	432
New case VVF	467	476	-	N/A	476
New case P&O	1576	1,127	-	-	1,127
New case Physio & Occupational therapy	14730	9,430	313	N/A	9,743
New case Burn	79	114	15	N/A	129
New case seen Outpatient	384	N/A	N/A	357	357
New case seen in WIT (week of intensive training)	211	N/A	N/A	168	168
Total New Case	45,831	36,265	6,380	546	43,191
Consultations					
Eye Consultations	68,655	47,668	21,197	833	69,698
Ortho Consultations	20,988	17,039	5,891	318	23,248
VVF consultations	401	618	-	12	630
Physiotherapy consultations & sessions- Only Dar	19,801	24,825	2248	N/A	27,073
P&O Consultations-Only Dar	211	119	22	-	141
Outpatient clients' consultations applicable only for Moshi	618	N/A	N/A	759	759
Club foot (Ponseti) Client's consultations	287	N/A	N/A	272	272
Bone deformity identified and referred for treatment	97	N/A	N/A	64	64
Total Consultations	111,058	90,269	29,358	2,258	121,885

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

8. SERVICE DELIVERY PERFORMANCE REVIEW (CONTINUED)

2022 General statistics	2021	2022			Total
	Total	CCBRT		Rural facilities /outreach	
		Standards	Private		
Outreach Treatment					
Home visits Conducted	4,388	N/A	N/A	2,829	2,829
Home clients seen	915	N/A	N/A	878	878
Family supported through CBR(Rehabilitation)-Supportive units	1,460	N/A	N/A	1,535	1,535
Supportive units' clinics done/number of clinics done	439	N/A	N/A	657	657
Supportive units' visits done	1,981	N/A	N/A	2,885	2,885
NEW clients (unique) visited during the supportive units	138	N/A	N/A	63	63
School Visits Conducted	-	N/A	N/A	-	-
School Children seen	-	N/A	N/A	-	-
Client seen in WIT	539	N/A	N/A	593	593
Total for CBR	9,860	N/A	N/A	9,440	9,440
Follow Up					
Seating clinics follow up	248	N/A	N/A	461	461
Total Follow up	248	N/A	N/A	461	461
Surgeries					
Eye surgeries	6,144	5,217	1,973	-	7,190
Ortho Surgeries (excl. cleft lip /palate, clubfoot, tenotomy & reconstructive)	809	1,612	312	-	1,924
Cleft lip / palate surgeries	388	346	86	-	432
Clubfoot surgeries	163	140	24	-	164
Tenotomy surgeries	38	68	10	6	84
Reconstructive surgeries (excluding cleft lip/palate)	129	262	48	-	310
VVF Surgeries	462	435	-	12	447
VP Shunting/CT scan	8	N/A	N/A	2	2
TOTAL Surgeries	8,141	8,080	2,453	20	10,553
Devices					
Total Refractions conducted	30,266	16,977	18,268	N/A	35,245
Total pts Assessed for Low Vision	3,159	2,617	293	N/A	2,910
Total Glasses (spectacles) provided	7,359	3,330	5,248	N/A	8,578
Total Low Vision devices provided	105	64	2	N/A	66
Lenses provided	84	91	120	N/A	211
Frames provided	305	178	238	N/A	416
Total Optical	41,278	23,257	24,169	N/A	47,426

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

8. SERVICE DELIVERY PERFORMANCE REVIEW (CONTINUED)

2022 General statistics	2021	2022			Total
	Total	CCBRT		Rural facilities /outreach	
		Standards	Private		
Assistive Devices					
Prosthetics and orthotics devices	1,549	1,941	-	-	1,941
Orthopedic devices	97	-	-	225	225
Special seats	3	-	-	-	-
Wheelchair	574	196	-	648	844
Artificial eyes	89	74	9	NA	83
Other devices	183	157	-	35	192
Total Assistive Devices Provided (prosthetics and orthotics, special seats, and orthopedic devices)	2,495	2,368	9	908	3,285
Capacity Building					
People Trained in Disability Inclusion	427	428	N/A	422	850
HCW Trained on Clubfoot Early Identification and Referral	135	11	N/A	-	-
Newborns and Maternal Healthcare Professionals Trained	2,332	642	N/A	N/A	642
WIT Meetings Conducted	34	N/A	N/A	33	33
Ponseti clinics conducted	71	N/A	N/A	65	65
HBC Training	114	N/A	N/A	144	144
CHW Training	-	N/A	N/A	-	-
Parents trained on livelihood activities	-	N/A	N/A	149	149
Families received Milk goats	-	N/A	N/A	-	-
Families received Materials (Vifaa)	-	N/A	N/A	-	-
Total capacity building	3,113	1,081	N/A	813	1,883
MNH services					
Number of women attended Antenatal care first visit	41,799	-	206	-	206
Total Deliveries	75,422	-	327	-	327
Live Birth	75,490	-	331	-	331
Still Birth (FSB+MSB)	1,694	-	8	-	8
Neonatal Deaths	918	-	1	-	1
Maternal Deaths	62	-	1	-	1
Caesarean Sections	18,020	-	198	-	198
Instrumental Delivery (vacuum)	1,980	-	13	-	13
Total	215,385	-	1,085	-	1,085

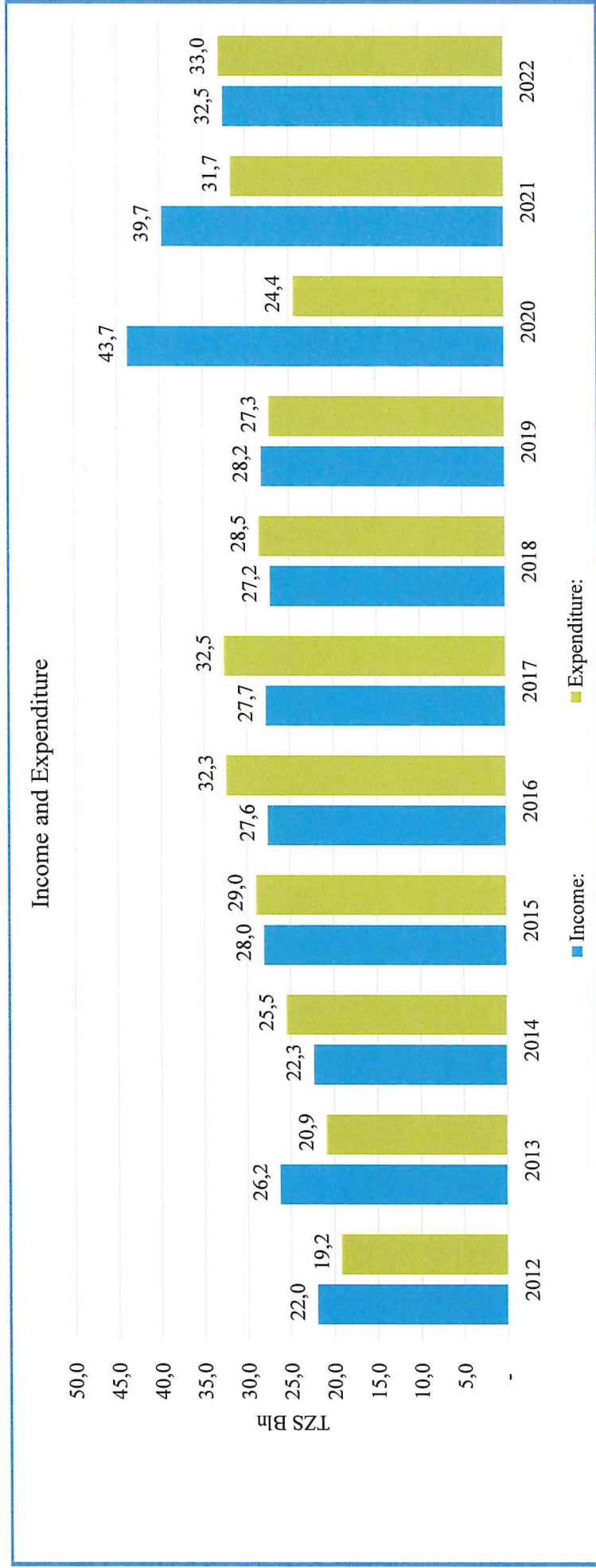
In 2022, CCBRT did not manage to secure funding for the data collection activities of the Capacity Building programme.

Moving forward, maternal health data from CCBRT's own maternal and new-born wing will be tracked for reporting. Outreach data will only be tracked for interventions that conducted with partner facilities and/or for which CCBRT is providing funding.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

9. FINANCIAL PERFORMANCE

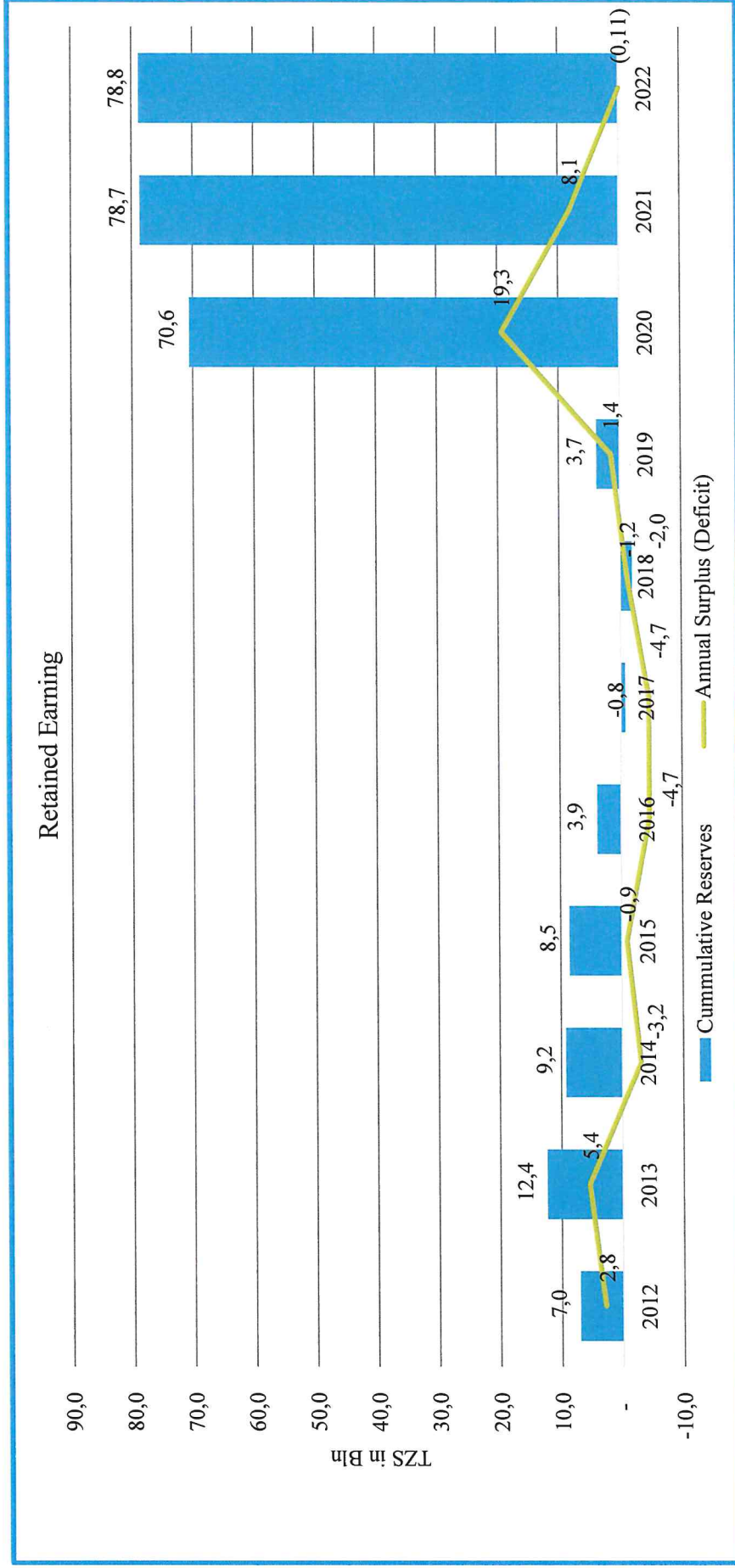


Note: Income and expenses as reported in 2022 were TZS 32.5 billion and TZS 33.0 billion respectively.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

9. FINANCIAL PERFORMANCE (CONTINUED)

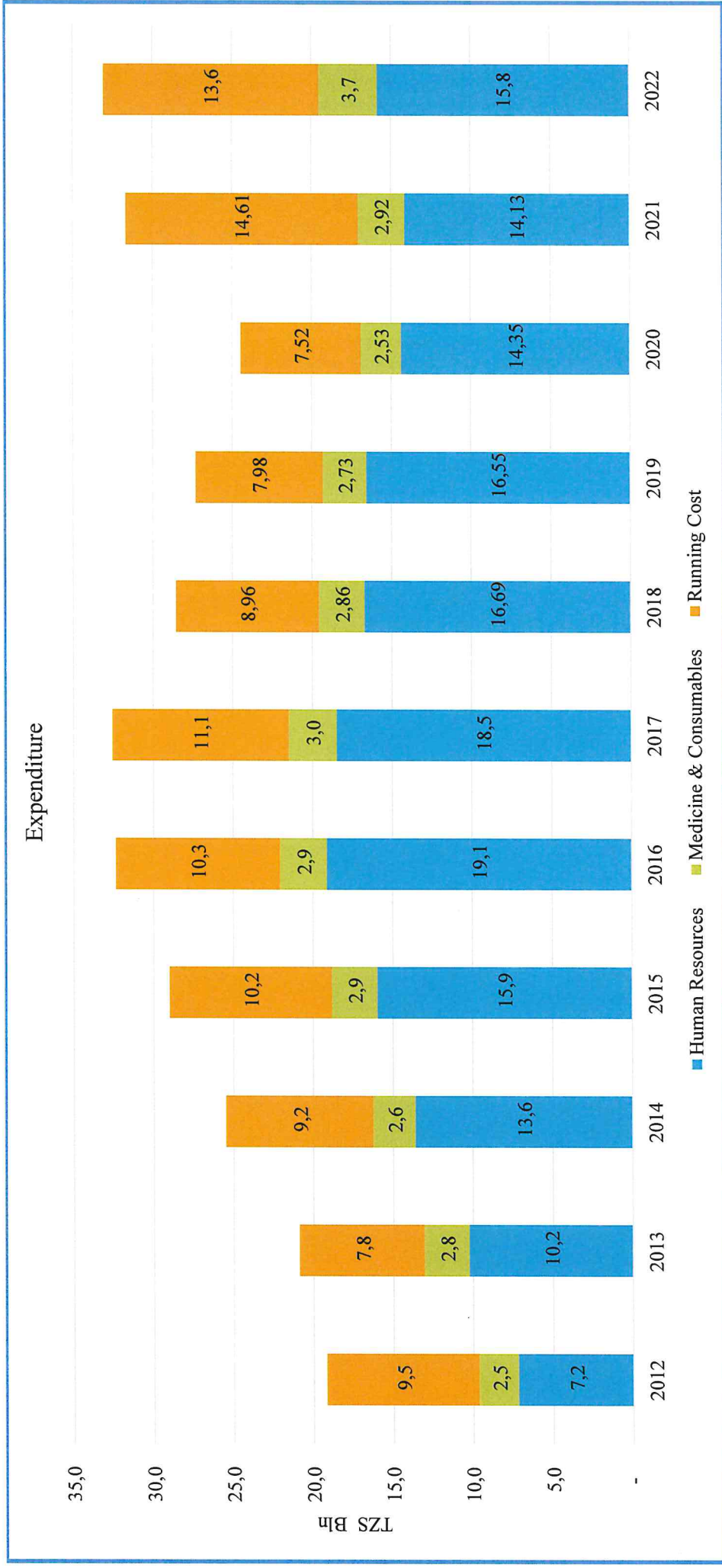


Note: The cumulative reserves and annual deficit for year 2022 were TZS 78.8 billion and TZS 0.11 billion respectively.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

9. FINANCIAL PERFORMANCE (CONTINUED)



COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

9. FINANCIAL PERFORMANCE (CONTINUED)

The total income decreased by 17% in 2022 with a total of TZS 32,934 million (2021: TZS 39,729 million).

The decrease in revenue has been primarily attributed to two main factors. Firstly, in 2021, CCBRT adopted a new reporting framework called IPSAS, which resulted in an adjustment for the first-time adoption. However, no such adjustment was made in 2022, as a result partner revenue decreased by TZS 11.6 billion.

Secondly, the completion of Maternal healthcare and Maternal Wing construction projects led to a reduction in construction activities in 2022 compared to 2021. It is important to note that under IPSAS, all capital expenses from non-exchange transactions are recognized as revenue if there are no conditions attached to the disposal of assets.

The loss for the year 2022 of TZS 109 million (2021: a profit of TZS 8 billion) is reflected in the retained earnings account. The main reason for this loss is the failure of partner revenue to materialize as expected. This revenue was intended to support the establishment and functioning of Maternal services.

10. FINANCIAL POSITION

The total assets decreased by 3% to TZS 101,467 million in the year 2022, in comparison to TZS 104,113 million in 2021. The main reason for this decrease is the depreciation charge applied during the period, resulting in a decrease of property and equipment.

The retained earnings account has been impacted by a loss of TZS 109 million in the year 2022, whereas in 2021, a surplus of TZS 8 billion was reflected in the account.

11. CASH FLOWS

The cash flows statement of the Organization shows that as of 31st December 2022, the closing balance of cash and cash equivalents was TZS 9,851,706,000. This represents a decrease compared to the closing balance of TZS 10,668,504,000 in 2021. The primary reason for this decrease is the reduction in cash generated from operating activities.

12. KEY PERFORMANCE INDICATORS

Goals	Indicator	Actual 2022	Actual 2021	
A highly engaged and performing workforce	% Completion training plan implementation	3,495	2,007	
	Number of staff incidences reported	6	4	
	% Improvement of combined scores of staff vacancies filled resignations and retention		93%	97%
			34%	10%
			2%	2%
		50%	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	760	656		
A safe hospital providing appropriate and successful treatment in line with international standards	% Increase in service delivery volume	15%	-1%	
	Number of Disability Adjusted Life Years (DALYs) averted for clients treated at CCBRT	32,678	31,503	
	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	92%	90%	

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

**GOVERNING BOARD MEMBERS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

12. KEY PERFORMANCE INDICATORS (CONTINUED)

Goals	Indicator	Actual 2022	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	93%	67%
	% Clients using their lower limb prosthetic device a year after fitting	100%	100%
	% Fistula patients who are dry six months after surgery	84%	90%
	Number of maternal deaths in 22 MHC B partner Health facilities	Data not collected	62
	Number of new-born deaths in 22 MHC B partner Health Facilities	Data not collected	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	1,151	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	191	198
	% Users entering & retrieving data into HMIS (user density)	82%	81%
	% Complete records (information density)	25%	29%
	Number of people trained at the CCBRT Academy	3761	2936
	Number of trainings done at the CCBRT Academy	86	49
	Number of research initiatives CCBRT is involved	1	3
	Number of staff receiving professional training including CPD	3,479	1,986
A financially sustainable social enterprise	% Revenue increase (Patient revenue)	41%	18%
	% Reduction in cost per service	(11%)	25%
	% Earnings after interest, tax and depreciation	(0.3%)	(5%)
	Number of subsidised clients	87,634	85,944
	Number of free clients	14,925	15,620

13. 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 24 for additional disclosure on the going concern.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

14. EMPLOYEE WELFARE

CCBRT had 401 staff at the end of 2022, with 285 staff working in the hospital (standard and private wing), 60 are working in the back office (support services such as finance, warehouse, procurement, HR, IT, marketing) and 56 employees working in development programmes and projects compared to the requirement of 495 (compared at 31 December 2022 in review of the 2022 budget). Hence, at the end of the financial year 2022 had a gap of 94 employees.

CCBRT Job Cadres (2022)	Establishment 2022	Actual 2022	Vacancies
Executive Management	5	4	(1)
Doctors & Specialists	56	44	(12)
Nurses & Medical Attendants	136	111	(25)
Paramedical/Clinical staff	51	46	(5)
Dev. Programme staff	61	56	(5)
Other Support staff	186	140	(46)
Total	495	401	(94)

Out of the 401 employees, a total of 201 are clinical trained staff including 44 doctors and 111 nurses and 46 paramedicals. 98% of the staff are Tanzanians. Out of the 7 non-Tanzanians, 4 are specialised clinicians.

Non-Clinical staff are 200 comprised of 84 people in support functions in the hospital (biomedical engineers, P&O and POP attendants, receptionists, cashiers, cleaners, laundry, social services, administrative etc), 60 working in the back office and 56 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; 57% 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 21 managers positions (52%) across the organisation are female led.

In 2022, CCBRT replaced a departing male board member with a female board member for its governing board resulting in 60% of CCBRT Board members being female.

As a 'learning organisation', CCBRT continued in 2022 to promote on-the-job learning as well as formal skills advancement. In total 8 employees went for formal long-term training outside of CCBRT and another 8 staff underwent short term specialised training. Most trainings for employees took place through the CCBRT Academy where in total 3,479 training seats were occupied for CCBRT staff receiving technical training. Various of those trainings offered by the CCBRT Academy received formal accreditation from the Medical Council of Tanganyika in 2022, which is important for employees in need to obtain CPD (Continuous Professional Development) points for retention of their license to practise.

Following the COVID-19 pandemic, all modules under the group of Infection Prevention Control (IPC) trainings include handwashing, hygiene, and measures for infection prevention.

In 2022, CCBRT conducted a messaging pilot amongst 63 nurses in relation to Wellbeing & Resilience. This pilot was successful as the messages – sent via SMS and WhatsApp – assisted nurses with relief and reflection. This activity is part of the CCBRT Wellbeing & Resilience Framework developed in 2021. Following the pilot, a wider roll out of the messaging programme as well as training of Well Being Champions and formalising a CCBRT welfare committee is planned for 2023.

Funeral Insurance is a mandatory benefit for staff at CCBRT. The aim of the CCBRT group funeral insurance is to provide a contribution upon bereavement as contribution towards funeral costs. CCBRT is paying the full annual premium for staff members. Due to the increased premium for the selected insurance coverage in 2022, CCBRT had to change to a different package linked to affordability. 92% of staff is covered through this insurance. Staff members that refuse such insurance are asked to sign a declaration to avoid disappointment for relatives.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

14. EMPLOYEE WELFARE (CONTINUED)

With challenges in funding, CCBRT has not been able to invest in remuneration changes in 2022 as planned. Like in previous years, output related pay has been adopted, where possible.

Furthermore, CCBRT has been seeking low-cost opportunities to engage staff regularly in order to maintain a good working climate and boost staff motivation. In addition to regular all-staff meetings and meetings with line managers, daily huddles continue to prove very instrumental in staff engagement discussing developments and problem solving.

On the social side, a variety of staff events were organised in 2022 such as Women's Day, Mental Health Day, World Disability Day and the CCBRT staff party.

In 2022, CCBRT hosted 176 people seeking the opportunity to gain knowledge and skills at the workplace, of which 9 Fellows under the FIGO fistula surgeon training programme, 28 residents from clinical training schools and 11 interns through the government internship programme.

Health and safety

The Organisation ensures that a strong culture of safety prevails at all times. A safe working environment is provided for all employees through 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). In 2022 CCBRT continued with the provision of hand sanitization for staff and visitors.

Employees benefit plan

CCBRT pays monthly contributions to the National Social Security Fund (NSSF) as is required by Law.

15. 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. 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.

CCBRT provides sign language training for staff members, particularly for people at the reception areas, wards and in HR.

In the event of a staff member becoming disabled, efforts are made to ensure that the employment with the Organisation continues, and appropriate arrangements are made. CCBRT contributes to the Workers Compensation Form as per the national guidelines.

16. POLITICAL AND CHARITABLE DONATIONS

The organization did not make any political donations during the year (2021: Nil).

17. RESERVES

Retained earnings

The retained earnings are 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.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

17. RESERVES (CONTINUED)

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.

18. FUTURE DEVELOPMENTS

CCBRT will start implementing new Strategic Plan 2023-2027 whereby, we remain focused on delivering quality outcomes and sustainable impact among vulnerable persons living with disabilities in Tanzania.

The plan entails, vertical growth, moving from giving specialised services to super specialised to keep our niche as the preferred provider of specific services. Horizontal growth, offering new services that we did not offer before, that are mandatory for the hospital e.g., critical care services, paediatrics, surgeries, and urology. Fully operationalization of maternal wing and laboratory services and natural growth of service (volume in line with increasing population, increased health seeking behaviour and health financing).

Utilization of the space: Current space is underutilized both at the OPD, OTD and Wards. We are currently paying fixed cost to maintain infrastructures that are not fully utilized.

Quality: Need to measure our hospital performance against international standards. Strategically: we measure against SafeCare while preparing for JCIA accreditation in 2027. Operationally, all clinical departments are measured against international quality standards. Establish and maintain efficient data management support system. Research & Publications, enhance evidence-based service provision. International partnerships, Capacity Building & service provision.

The growth of volume of activities will require strategic investment:

- 1) Investment in Human Resources to retain Human Capital which include remuneration review; investment in working tools. Capacity building to get required skill sets for vertical growth (super specialisation). Expanding 24 hours services to get both number and quality (recruitment and training);
- 2) Capital investment in machines, instruments and operational capital equipment currently underutilised space. Replace old equipment & instruments. Capital investment in system improvement, software, and applications to ensure business continuity and enabling data-driven decision making; and
- 3) Strengthening governance & management requires additional positions and human resources.

19. 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 Tanzania - 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 it to start planned activities. This then also the impacts number of clients CCBRT can serve as well as the ability to generate revenue. In addition, impact at patient level: increase waiting time, which could be a serious hiccup in patients' treatment	CCBRT is actively engaging with suppliers (including, MSD) to avoid out of stock of essential drugs. CCBRT has adjusted plans for new activities that are linked to overseas supplies and pro-active looks for alternative suppliers.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

19. PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES (CONTINUED)

Risks associated with service delivery (Continued)

SN	Risk	Implication	Mitigation
2	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>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> <ul style="list-style-type: none"> • Expansion of services to increase revenue (Dental, Physician, Baby Wellness, Hemodialysis, Renal Clinic, Dermatology) • Expansion of opening hours (including Saturday as a business day) • Increased Marketing of our services • Increase seeking CSR/CSI support • Continue Fundraising, strengthening if resource mobilization function with focus to increase flexible funds • Establishment of Business Development Function, proactive seek for new business opportunities • Strengthening the partnership with our fundraising office in USA Kupona • Tanzania support: Continue the lobby with the GOT on the modalities of this support.

Risks associated with financing of organisational activities

SN	Risk	Implication	Mitigation
1	No secured funding for operationalization of Maternity and New-born Wing (MW)	CCBRT will not be able to provide Maternal and New-born health services as expected.	<p>CCBRT continues to fundraise for the operationalization of MW.</p> <p>While fundraising is going on CCBRT will be providing maternal service for paying patients.</p>
2	Insufficient 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.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

19. PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES (CONTINUED)

Uncertainties

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

Opportunities

Seek new donors/partnerships for resource support (in-kind, financial, technical). Support from corporate partners and the business community. impact investments, 'gift that keep on giving')

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, considering its financial position, 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.

20. BUDGET PERFORMANCE VS ACTUAL

Details	Plan 2022	Actual 2022	Variance	Variance
	TZS'000	TZS'000	TZS'000	%
Revenue				
Revenue from Exchange (Patient & Program)	15,894,615	17,066,405	1,171,790	7%
Revenue from non-Exchange (Partners)	16,662,630	15,661,475	(1,001,155)	(6%)
Total Revenue	32,557,245	32,727,880	170,635	1%
			-	
Expenses			-	
Medicines & Med Consumables	3,588,511	3,661,736	73,225	2%
Staff Cost	15,966,168	15,831,360	(134,808)	(1%)
Running Cost	8,305,563	7,454,389	(851,174)	(10%)
Total Expenses	27,860,242	26,947,485	(912,757)	(3%)
			-	
Other non-cash expenses	7,532,808	7,361,887	(170,921)	(2%)
Other non-cash income	6,782,093	1,472,282	(5,309,811)	(78%)
Net result	3,946,288	(109,210)		

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

20. BUDGET PERFORMANCE VERSUS ACTUAL (CONTINUED)

The total revenue was above the plan by 1%, after adjusting the plan in IPSAS presentation where it requires all capital expenses from non-exchange transactions to be recognized as revenue if there are no conditions attached.

- Revenue from exchange reported above target by 7%, this is due to increase and expansion of volume of services, improving our billing system and availability of stock.
- Partner decreased by 2% against plan, mainly contributed to the funds for operationalization of the maternal services that did not materialize in 2022.
- The significant decrease in non-cash income by 78% has been attributed to IPSAS adjustment in 2021 to derecognise capital grant which resulted into absence of amortisation income in 2022. The variance was due to non-revision of the budget for 2022 to reflect IPSAS adoption.

Expenses have been below the plan by 3%. Costs were maintained within the budget.

- However, medicine and consumables went up by 2% this is due to the fact that we are buying enough stock to support revenue generation and reduce out of stock.
- Staff cost under spend by 1% as some positions were not replaced due to efficiency gains.
- Running costs are underspend due to cost cutting measures taken and some activities were not executed due lack of funding.

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 82,191,973,000 (2021: TZS 82,301,183,000).

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 delegated day-to-day management and running of the Organisation to the Chief Executive Officer who is assisted by the Hospital Executive Committee (HEC).

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

23. CORPORATE GOVERNANCE (CONTINUED)

Table 1: Members of the governing Board

SN	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	Dr. Jim J. Yonazi	Member FRA-Active	PhD Economics in e-Governance MSc IT & Management	2019	N/A	Tanzanian
3	Mr. Rupin Jayanti Rajani*	Committee chair FRA	BSc Industrial Engineering Bsc Economics MBA	2020	2023	Tanzanian
4	Mr. Amon Anastaz Mpanju*	Member GNR	BSc in Law	2020	2022	Tanzanian
5	Mr. Bernard J. Christiaanse*	Member FRA & GNR	BSc Economic Nyenrode Business School	2020	2023	Dutch
6	Ms. Miranda Naiman Mpogolo	Vice-Chairperson / Committee chair GNR-Active	BSc Drama MA in Theatre & Development Studies	2020	N/A	Tanzanian
7	Mrs. Esther Kileo Kitoka	Member FRA-Active	AMP CPA B.Sc. Commerce in Accounting Ms Commerce in Banking	2020	N/A	Tanzanian
8	Dr. Sabina Ferdinand Mugusi	Member CQR-Active	MBBS (MD) PhD- HIV & Tuberculosis Post-Grad Fellowship HIV	2021	N/A	Tanzanian
9	Dr. Nelly Iteba	Committee chair CQR-Active	MD Master International Health Master of Management - Health Leadership (IHML)	2021	N/A	Tanzanian
10	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
11	Ms. Shemane Amin	Member GNR-Active	Bachelor of Arts (B.A.) Psychology and Business; J.D.	2022	N/A	Tanzanian
12	Ms. Brenda Msangi	Chief Executive Officer; Board of Directors Secretary, ex officio	Master of Business Administration (MBA) in Healthcare, Master of Pharmacy (MPharm).	Management since 2009 / CEO & Board since 2018	N/A	Tanzanian
13	Mr. Robin Ernest Kimambo	Member FRA-Active	Bachelor of Commerce Hons. – Accounting Major, University of Dar es Salaam (Tanzania) MSc in Finance, Leadership and Management with the York Management School, University of York (UK)	2023	N/A	Tanzania
14	Mr. Anael Samuel	Member FRA-Active	BSc. Computer Science, University of Dar es Salaam, Tanzania 1999- 2002 MBA (Finance), University of Dar es Salaam, Tanzania 2004-2006	2023	N/A	Tanzania

*Resigned during the year

GNR - Governance, Nomination & Remuneration; 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 2022 (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 2023 budgets;
- (ii) Amendment of the Constitution;
- (iii) Approve the five (5) years Strategic Plan (2023-2027);
- (iv) Recruitment of new board members; and
- (v) Recruitment of the Board Secretary.

Table 2: Attendance of Board Members

SN	Name	Board Meetings			
		25/02/2022	03/06/2022	02/09/2022	25/11/2022
1	Dr. Willibrod P. Slaa	Present Online	Present	Present Online	Present
2	Mr. Rupin Jayanti Rajan	Present Online	Present	Present Online	Present Online
3	Dr. Jim J. Yonazi	Apologies	Apologies	Present Online	Apologies
4	Mr. Amon Anastaz Mpanju	Apologies	Apologies	N/A	N/A
5	Mr. Bernard Christiaanse	Present Online	Present	Present Online	Present Online
6	Ms. Miranda Naiman	Apologies	Present	Present Online	Present
7	Mrs. Esther Kitoka	Present Online	Apologies	Present Online	Present Online
8	Dr. Sabina Mugusi	Present Online	Present	Present Online	Present
9	Dr. Redempta Mbatia	Apologies	Present	Present Online	Present Online
10	Dr. Nelly Iteba	Present Online	Present Online	Apologies	Apologies
11	Shemane Amin	N/A	N/A	N/A	Present
12	Ms. Brenda Msangi	Present	Present	Present	Present

Committees of the Board

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

Governance, Nomination & Remuneration Committee

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

Table 3: Members of Governance, Nomination and Remuneration Committee

Name	Position
Ms. Miranda Naiman Mpogolo	Committee chair
Ms. Shemane Amin	Member
Mr. Bernard J. Christiaanse	Member
Mr. Amon Anastaz Mpanju	Resigned in June 2022

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

23. CORPORATE GOVERNANCE (CONTINUED)

Governance, Remuneration & Nomination Committee (Continued)

During the year four (4) meetings were held and several decisions were prepared concerning governance including

- (i) Board evaluation;
- (ii) Selection of a new Board member;
- (iii) Hiring the Board Secretary; and
- (iv) Review of the constitution.

Finance, Risk & Audit Committee

The Organization's Finance, Risk & Audit Committee is 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. Christiaan	Member
Mrs. Esther Kileo Kitoka	Member
Mr. Robin Ernest Kimambo	Member
Mr. Anael Samuel	Member

During the year, the committee held six (6) meetings and several recommendations were made by the committee to the board including:

- (i) Approval of 2023 budget;
- (ii) Approval of Audited Financial Statement;
- (iii) Re-appointment of External Auditor; and
- (iv) Recruitment of Chief Internal 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 CQR 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 twelve (12) meetings were held. The committee analysed the clinical performance of the organization and made recommendations for improvement to the Board.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

**GOVERNING BOARD MEMBERS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

24. RELATED PARTIES

Details of transactions and balances with related parties are included in Note 22 to these financial statements.

25. ENVIRONMENTAL CONTROL PROGRAMME

The Organisation monitors the impact of its operations on the environment, taking into consideration power and water usage and generation of waste. Its policies provide guidelines and mitigation measures on the management of all waste produced from the daily routine activities at offices premises.

26. AUDITOR

KPMG was appointed as auditor of CCBRT for the year ended 31 December 2022 and is eligible for re-appointment. The resolution to re-appoint KPMG for the next accounting year ending 31 December 2023 will be put in the forthcoming Board of Directors meeting.

27. 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 No. 1 (TFRS 1).

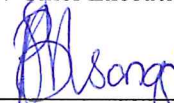
BY ORDER OF THE GOVERNING BOARD

Dr Willibrod P. Slaa
President of the Board of CCBRT



Date 26 June 2023

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



Date 26 June 2023



COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

WORD FROM THE PRESIDENT OF THE GOVERNING BOARD FOR THE YEAR ENDED 31 DECEMBER 2022

Throughout 2022, we maintained quality outcomes on all our services, ensuring quality rehabilitative healthcare remains accessible to persons living with or at risk of a disability. The Maternal and Newborn Wing was officially opened in July 2022 by The President of the United Republic of Tanzania, H.E. Dr. Samia Suluhu Hassan, and will, in the same spirit, offer subsidized care for vulnerable patients with high-risk pregnancies or emergencies referred from other health facilities.

My gratitude goes out to all our stakeholders whose combined efforts 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, the clinical team of doctors and nurses, all our support services ranging from our cleaners, administrators, and 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: 26 June 2023



COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

WORD FROM THE CEO FOR THE YEAR ENDED 31 DECEMBER 2022


2022 marked the end of a five-year strategic period 2018-2022.

CCBRT's contribution to maternal and child health in the region and the country hit a significant milestone with the official opening of the Samia Suluhu Hassan Maternal and Newborn Wing in July 2022 by H.E. Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania. This marks the beginning of an era of respectful maternal care for all women, especially the most vulnerable such as those with a disability.

In 2022, CCBRT served 114,137 patients throughout the year, with 14,925 patients fully exempted from payment and 87,634 patients subsidized. According to the 2002 national census, the National Bureau of Statistics reported a 2% incidence of disability in the population - meaning there is a significant 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, and the community as part of a broader collaboration of our work in rehabilitative healthcare.

Our development programs are a core strategic move in the rehabilitation space that aligns with the Universal Health Coverage pillar that all people can access quality healthcare services when in need. For example, through our community-based rehabilitation program, we reached 1,535 families and conducted 2,829 home visits.

CCBRT hospital is an organization that heavily continues to pivot on collaborative efforts of stakeholders to address disability in our healthcare system and advocate for disability inclusion for this group of persons with special needs. We endeavour to drive thought leadership in rehabilitative healthcare, improve quality health outcomes of interventions for persons with disability, foster collaboration of key stakeholders, and address disability before the birth of every Tanzanian baby. Special gratitude to the dedicated and committed team of 401 CCBRT staff, of whom 6.1% are persons with a disability. As we embark on our 2023-2027 strategic period, we remain focused on delivering quality outcomes and sustainable impact among vulnerable persons living with disabilities in Tanzania.



Ms. Brenda Msangi
Chief Executive Officer

Date: 26 June 2023



COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

**STATEMENT OF THE GOVERNING BOARD MEMBERS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 2022, 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 (IPSASs).

The Governing Board Members are also responsible for such internal control as the Board determines 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 on 26 June.....2023 and signed by:

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

Ms. Brenda Msangi
Secretary / Chief Executive Officer

26 June 2023
Date

26 June 2023
Date



COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

DECLARATION OF THE HEAD OF FINANCE FOR THE YEAR ENDED 31 DECEMBER 2022

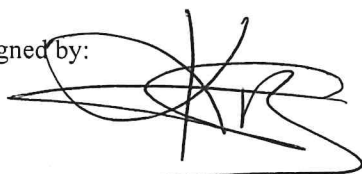
The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance responsible for 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 2022 have been prepared in accordance with the International Public Sector Accounting Standards (IPSASs)

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: 26 June 2023



KPMG
Certified Public Accountants
2nd Floor, The Luminary
Haile Selassie Road, Masaki
P.O. Box 1160
Dar es Salaam, Tanzania

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Comprehensive Community Based Rehabilitation in Tanzania ("CCBRT or the Organisation") set out on pages 29 to 66, which comprise the statement of financial position as at 31 December 2022, statement of financial performance, the statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Organization as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs) as issued by the International Public Sector Accounting Standards Board.

Basis for Opinion

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

Other Information

The Governing Board Members are responsible for the other information. The other information comprises the information included in the *Comprehensive Community Based Rehabilitation in Tanzania (CCBRT) Annual Report and Financial Statements for the year ended 31 December 2022*, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of the 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 IPSASs 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 Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governing Board Members either intend to liquidate the Organisation or to cease operations, or has no realistic alternative but to do so.



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

Report on the audit of the financial statements (Continued)

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 based on these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.
- 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: 26 June 2023

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 TZS '000	2021 TZS '000
Revenue			
Revenue from non-exchange transactions	6	15,638,013	27,249,857
Revenue from exchange transactions	7	<u>16,908,333</u>	<u>12,054,834</u>
		32,546,346	39,304,691
Other income	8	176,612	406,625
Finance income	10(b)	<u>210,949</u>	<u>17,897</u>
		32,933,907	39,729,213
Expenses			
Operating costs	9	(31,627,261)	(29,985,577)
Finance cost	10(a)	(750,846)	(821,552)
Impairment on trade and other receivables	15	<u>(665,010)</u>	<u>(856,978)</u>
		(33,043,117)	(31,664,107)
(Deficit)/surplus for the year before tax		(109,210)	8,065,106
Tax expense		<u>-</u>	<u>-</u>
Net (deficit)/surplus for the year		<u>(109,210)</u>	<u>8,065,106</u>

Notes and related statements forming part of these financial statements appear on pages 33 to 66.

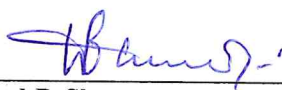
Report of the auditor – Pages 27 to 28.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

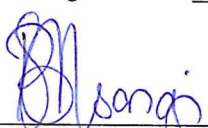
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	<u>Notes</u>	2022 TZS'000	2021 TZS'000
ASSETS			
Non-current assets			
Property and equipment	12	85,605,860	88,385,255
Intangible assets	13	328,344	-
		<u>85,934,204</u>	<u>88,385,255</u>
Current assets			
Inventories	14	1,983,568	2,071,809
Trade and other receivables	15	3,675,938	2,874,451
Grants receivables	16	21,523	112,761
Cash and cash equivalents	17	9,851,706	10,668,504
		<u>15,532,735</u>	<u>15,727,525</u>
TOTAL ASSETS		<u>101,466,939</u>	<u>104,112,780</u>
RESERVES AND LIABILITIES			
RESERVES			
Accumulated surplus		78,805,722	78,785,049
Revaluation reserve		3,386,251	3,516,134
Total reserve		<u>82,191,973</u>	<u>82,301,183</u>
LIABILITIES			
Non-current liabilities			
Borrowings	18	5,982,367	6,043,859
		<u>5,982,367</u>	<u>6,043,859</u>
Current liabilities			
Bank overdraft	17	-	192,542
Borrowings	18	632,145	875,279
Deferred grant income	19	7,657,263	7,458,564
Trade and other payable	20	5,003,191	7,241,353
		<u>13,292,599</u>	<u>15,767,738</u>
TOTAL LIABILITIES		<u>19,274,966</u>	<u>21,811,597</u>
TOTAL RESERVE AND LIABILITIES		<u>101,466,939</u>	<u>104,112,780</u>

The financial statements on pages 29 to 66 were approved by the Governing Board on 26/6/2023 and signed by:



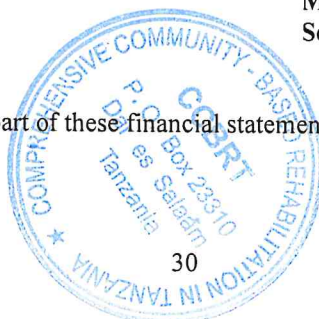
 Dr. Willibrod P. Slaa
 President of the Board of CCBRT



 Ms. Brenda Msangi
 Secretary / Chief Executive Officer

Notes and related statements forming part of these financial statements appear on pages 33 to 66

Report of the auditor – Pages 27 to 28



COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 DECEMBER 2022

	Accumulated surplus	Revaluation reserve	Total
	TZS'000	TZS'000	TZS'000
2022			
Balance at 1 January 2022	78,785,049	3,516,134	82,301,183
Deficit for the year	(109,210)	-	(109,210)
Transfer of revaluation reserve	<u>129,883</u>	<u>(129,883)</u>	<u>-</u>
Balance at 31 December 2022	<u>78,805,722</u>	<u>3,386,251</u>	<u>82,191,973</u>
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	<u>129,883</u>	<u>(129,883)</u>	<u>-</u>
Balance at 31 December 2021	<u>78,785,049</u>	<u>3,516,134</u>	<u>82,301,183</u>

Notes and related statements forming part of these financial statements appear on pages 33 to 66

Report of the auditor – Pages 27 to 28

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 TZS '000	2021 TZS '000
Cash flows from operating activities			
(Deficit)/Surplus for the year		(109,210)	8,065,106
<i>Adjustments for:</i>			
Depreciation	12	5,172,538	4,085,806
Amortisation of intangible asset	13	75,772	-
Gain on disposal of property and equipment		-	(203,831)
Impairment of trade receivables	15	665,010	856,978
Finance income	10(b)	(4,921)	(17,897)
Finance cost	18	515,105	761,396
Unrealised foreign exchange gains and loss		(104,081)	
		6,210,213	13,547,558
Changes in:			
Inventories		88,241	(176,474)
Trade and other receivables	15	(1,466,497)	(1,005,518)
Grant receivables		91,240	1,837,146
Deferred grant income		419,549	(10,369,237)
Trade and other payables		(2,238,162)	1,558,175
Cash generated from operating activities		3,104,584	5,391,650
Interest received		4,921	17,897
Net cash generated from operating activities		3,109,505	5,409,547
Cash flows from investing activities			
Purchase of property and equipment	12	(2,393,143)	(10,900,427)
Purchase of intangibles	13	(404,116)	-
Proceeds on disposal of property and equipment		-	203,831
Net cash used in investing activities		(2,797,259)	(10,696,596)
Cash flows from financing activities			
Borrowings received during the year	18	135,490	6,895,604
Repayment of borrowings – principal	18	(577,998)	(6,304,043)
Repayment of borrowings – Interest	18	(381,532)	(738,043)
Net cash used in financing activities		(824,040)	(146,482)
Net decrease in cash and cash equivalents		(511,794)	(5,433,531)
Cash and cash equivalents at 1 January		10,475,962	15,909,146
Effect of movements in exchange rates on cash held		(112,462)	346
Cash and cash equivalents at 31 December	17	9,851,706	10,475,961

Notes and related statements forming part of these financial statements appear on pages 33 to 66

Report of the auditor – Pages 27 to 28

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 certifies 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) 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.

(c) 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.

(d) 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.

Significant estimates are made for:

i) Allowance for doubtful debts

The Organisation makes 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.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

2. BASIS OF ACCOUNTING (CONTINUED)

(d) Use of estimates and judgements (Continued)

ii) 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.

iii) 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 Organisations' ability to continue as a going concern.

Details relating to going concern are included in Note 24.

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

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 44: <i>Non-current Assets Held for Sale and Discontinued Operations.</i>	This standard specifies the accounting for assets held for sale and the presentation and disclosure of discontinued operations. IPSAS 44 includes additional public sector requirements, in particular the disclosure of the fair value of assets held for sale that are measured at their carrying amounts, when the carrying amount is materially lower than their fair value.	Effective for annual periods beginning on or after 1st January 2025 Earlier application is permitted
IPSAS 42: <i>Social Benefits</i>	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: 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. To accomplish that, this IPSAS establishes principles and requirement for: a) Recognizing expenses and liabilities for social benefits b) Measuring expenses and liabilities for social benefits c) Presenting information about social benefits in financial statements and d) Determining what information to disclose to enable users of financial statements to evaluate the nature and financial effects of the social benefits provided by the reporting entity.	Effective for annual periods beginning on or after 1st January 2023. Earlier application is permitted

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

3. STANDARD ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

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

Management has decided to early adopt IPSAS 41 Financial Instruments and IPSAS 43 Leases which are effective from the period beginning 1 January 2023 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.

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.

For contribution in kind, revenue is recognised when all the following criteria are met:

- a. The asset or service has been received or consumed by the entity.
- b. The asset or service can be measured reliably.
- c. It is probable that the entity will receive the future economic benefits associated with the asset or service.
- d. The fair value of the asset or service can be reasonably determined.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Revenue (continued)

ii) Revenue from non-exchange transactions (Continued)

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.

Contributions in kind is initially recognised at fair value.

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.

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.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Financial instruments (Continued)

(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.

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; and
- 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; and
- 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.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Financial instruments (Continued)

(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; and
 - 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; and
 - 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 attributable to the financial difficulty of the debtor or not) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

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.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 91 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.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Impairment (continued)

i) Non-derivative financial assets (continued)

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.

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.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Property and equipment (Continued)

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 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.

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.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k) Leases (Continued)

Organisation as a lessee (continued)

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.

m) Cash and cash equivalents

For cash flows purposes, 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.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

n) Taxation

The Governing Board Members have determined that the Organization qualifies for an additional deduction of 25% from its income, as per the criteria outlined in the Income Tax Regulations. This deduction is granted to organizations engaged in charitable activities, provided their profits fall within the prescribed limits or are intended to be utilized for future charitable activities. To obtain the status of a charitable organization, the Income Tax Regulations necessitate obtaining approval from the Commissioner of Income Tax. The Organization applied for this status, which was approved by the Commissioner for Domestic Revenue on November 7th, 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.

r) Retained earnings

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

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

r) Retained earnings (Continued)

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.

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.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (Continued)

(i) *Foreign exchange risk (Continued)*

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

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

	USD TZS '000	EUR TZS '000	Total TZS '000
2022			
Trade payables	(162,719)	-	(162,719)
Borrowings	(6,575,793)	-	(6,575,793)
Cash and cash equivalents	<u>5,093,293</u>	<u>2,968,743</u>	<u>8,062,036</u>
Net exposure	<u>(1,645,219)</u>	<u>2,968,743</u>	<u>1,323,524</u>
2021			
Trade payables	(394,003)	(577,103)	(971,106)
Borrowings	(6,919,138)	-	(6,919,138)
Cash and cash equivalents	<u>1,466,696</u>	<u>7,682,131</u>	<u>9,148,827</u>
Net exposure	<u>(5,846,445)</u>	<u>7,105,028</u>	<u>1,258,583</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:

	USD TZS '000	EUR TZS '000	Total TZS '000
2022			
Increase/(decrease) in surplus or deficit	(82,261)	148,437	66,176
Increase/(decrease) in net assets	(82,261)	148,437	66,176
2021			
Increase/(decrease) in surplus or deficit	(292,322)	355,251	62,929
Increase/(decrease) in net assets	(292,322)	355,251	62,929

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (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	
	2022	2021	2022	2021
USD/ TZS	2,308	2,298	2,303	2,298
EUR/TZS	2,457	2,607	2,425	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 2022 (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
2022				
Trade receivables (Note 15) – gross	4,453,462	2,165,194	942,061	1,346,207
Grant receivable	21,523	21,523	-	-
Amount due from Kupona Foundation	2,770,171	-	-	2,770,171
Cash at bank	9,850,630	9,850,630	-	-
	<u>17,095,786</u>	<u>12,037,347</u>	<u>942,061</u>	<u>4,116,378</u>
2021				
Trade receivables (Note 15) – gross	2,111,187	1,197,061	232,929	68,1197
Grant receivable	112,761	112,761	-	-
Amount due from Kupona Foundation	2,770,171	-	-	2,770,171
Cash at bank	10,664,300	10,664,300	-	-
	<u>15,658,419</u>	<u>11,974,122</u>	<u>232,929</u>	<u>3,451,368</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 financial assets is as follows;

	2022 TZS '000	2021 TZS '000
At 1 January	3,451,368	3,098,925
Increase in impairment	<u>665,010</u>	<u>352,443</u>
At 31 December	<u>4,116,378</u>	<u>3,451,368</u>

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 2022, the held at banks by type of counterparty was as follows:

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Interest rate risk (continued)

Credit risk (continued)

	2022	2021
	TZS '000	TZS '000
Cash at bank analysis		
Bank of Africa	1,972,548	6,433,149
Azania Bank Limited	592	893
NMB Bank Plc	129,896	463,955
NBC Bank Limited	616,035	358,727
Stanbic Bank	340	7,788
Absa Bank Tanzania Limited	46,156	100,371
CRDB Bank	7,079,207	3,298,448
MIC Tigo PESA	852	500
Vodacom M PESA	5,004	469
Total cash at bank	<u>9,850,630</u>	<u>10,664,300</u>

Trade receivables:

The Organisation's trade receivables mainly relate to receivables from medical insurance companies. The Organisation mainly accepts medical insurance from NHIF, Assemble insurance, 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:

- Financial difficulties of the counterparty;
- Consistent failure by the counterparty to settle the amount due on time;
- Adverse market conditions affecting the counterparty;
- Historical experience in dealing with the insurance organisation including change in the purchase behaviour; and
- The impact of the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their balances. The Organisation considers factors such as GDP and the inflation rate in Tanzania to be the most relevant factors, and accordingly adjusts expected credit losses based on expected changes in these factors.

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

	Outstanding balance	
	2022	2021
	TZS '000	TZS '000
Counter party		
National Health Insurance Fund	3,136,231	1,624,973
AAR Insurance Tanzania	37,308	138,220
Strategies Insurance Tanzania	383,182	155,677
The Jubilee Insurance Company Tanzania	167,801	80,295
Other Health Insurance Providers	728,940	112,022
Kupona Foundation	2,770,171	2,770,171
	<u>7,223,633</u>	<u>4,881,358</u>

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

5. FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(ii) Interest rate risk (continued)

Credit risk (continued)

Trade receivables (continued)

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

	2022	2021
	TZS '000	TZS '000
Past due 0 – 30 days	1,099,809	695,144
Past due 31 – 60 days	1,065,385	501,917
Past due 61 – 90 days	270,086	124,145
Past due 91 – 120 days	306,936	90,689
Past due > 120 days	4,481,417	3,469,463
	<u>7,223,633</u>	<u>4,881,358</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, salary advances and suppliers down payments.

Management performed an impairment assessment on these balances by considering historical experience and concluded that there is no additional impairment loss need to be recognised.

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	Between 1 and 5 years	Over 5 years
	TZS '000	TZS '000	TZS '000
At 31 December 2022:			
Trade and other payables*	3,293,502	-	-
Bank borrowings	623,145	2,275,273	3,707,094
	<u>3,916,647</u>	<u>2,275,273</u>	<u>3,707,094</u>
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>

*Trade and other payables do not include withholding taxes, advance income and other employment related deductions amounting to TZS 1,709,689,000 (2021: TZS 1,761,869,000).

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

5. FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(ii) *Interest rate risk (continued)*

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 based on 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 2022 and 2021 were as follows:

	2022 TZS'000	2021 TZS'000
Total borrowings (Note 18)	6,614,512	6,919,138
Overdraft	-	192,542
Less: Cash and cash equivalents	<u>(2,194,446)</u>	<u>(1,901,425)</u>
Net debt	4,420,066	5,210,255
Total reserves	82,191,973	82,301,183
Total capital	<u>86,612,039</u>	<u>87,511,438</u>
Gearing ratio	5%	6%

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

6. REVENUE FROM NON – EXCHANGE TRANSACTIONS

	2022 TZS'000	2021 TZS'000
Grants-Donors (Note 6(a))	13,902,976	26,541,755
In-Kind Donations (Note 6(b))	680,590	220,118
Donations and contributions	967,129	424,080
Transfers from other Government Entities	87,318	63,904
	<u>15,638,013</u>	<u>27,249,857</u>

(a) Grants-Donors

Danish International Development Agency (DANIDA)	3,262,317	3,516,781
DANIDA FC	53,658	56,770
Global Affairs Canada (GAC)	149,241	3,720,647
Christian Blind Mission (CBM)	1,558,235	3,011,019
Irish Aid	1,723,712	863,810
Light for the World	202,364	446,426
Porticus	-	76,757
Johnson & Johnson (J & J)	1,552,980	952,138
Kupona Foundation	184,047	73,218
WISE	-	106,660
Miracle feet	185,405	65,170
MIC Tanzania Limited	-	110,018
Humanitarian Grand Challenges Canada	46,255	78,111
Fistula Foundation	1,364,879	1,103,600
Laerdal Foundation	19,735	15,590
KFW	2,482,939	10,969,343
Engender Health	120,599	101,805
Community Action for People with Disabilities in Africa (CAPDA)	19,364	40,104
Special Fund for Disabled-International Committee of the Red Cross (SFD -ICRC)	61,430	21,327
UNICEF	-	22,779
Amref	174,234	310,220
Dorothea Haus Ross Foundation	88,090	9,386
Equinor	52,805	14,711
GIZ	508,388	-
EHPK	70,486	521,740
UNFPA	21,813	-
EDHR	-	42,203
Spider	-	54,479
Smile Train	-	41,568
AFTAH	-	195,375
	<u>13,902,976</u>	<u>26,541,755</u>

(b) In-Kind Donations

Other Donors-Medicines and other consumable materials	481,715	34,816
Government-Medicines and other consumable materials	198,875	185,302
	<u>680,590</u>	<u>220,118</u>

7. REVENUE FROM EXCHANGE TRANSACTIONS

Revenue from hospital service	16,405,015	11,647,066
Revenue from Advocacy consultation	21,818	5,915
Revenue from Handcraft sales	269,998	260,233
Revenue from rehabilitation services-Moshi	152,831	141,620
Revenue from training fees-Academy	58,671	-
	<u>16,908,333</u>	<u>12,054,834</u>

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

8. OTHER INCOME

	2022 TZS '000	2021 TZS '000
Refunds	18,540	-
Gain on disposal of Property and equipment	-	203,831
Other programme income	158,072	202,794
	<u>176,612</u>	<u>406,625</u>

9. OPERATING COSTS

	2022 TZS '000	2021 TZS '000
Employee benefit expenses (Note 11)	15,831,360	14,129,706
Cost of consumables	3,661,736	2,922,620
Patients' subsidies and individual aid	1,117,030	794,840
Clearing and forwarding costs	179,208.68	85,584
Depreciation expenses (Note 12)	5,172,538	4,085,806
Amortisation expense	75,772	-
Training	582,286	2,484,705
Consultancy	2,267,773	2,121,582
NSSF penalty	-	777,067
Premises and utility costs	829,729	738,682
Repairs and maintenance	266,748	271,380
Security charges	138,393	139,205
Audit fee – current year	231,174	192,651
Legal fee	12,260	59,107
Communication and advertisement	177,211	81,841
General and Administration expenses	917,903	771,964
Transport and motor vehicles expenses	74,903	54,036
Bank charges	91,236	238,954
Accrued Interest-Vodafone USAID	-	35,847
	<u>31,627,261</u>	<u>29,985,577</u>

10. FINANCE INCOME AND COST

	2022 TZS '000	2021 TZS '000
a) Finance costs		
Interest expense on bank loan	(506,534)	(703,942)
Interest expense on overdraft facility	(53,376)	(34,576)
Interest expense on insurance	(8,623)	-
Net foreign exchange loss	(182,313)	(83,034)
	<u>(750,846)</u>	<u>(821,552)</u>
b) Finance income		
Interest income on call deposits	4,921	17,897
Net exchange gains	206,028	-
	<u>210,949</u>	<u>17,897</u>

11. EMPLOYMENT BENEFIT EXPENSES

	2022 TZS '000	2021 TZS '000
Salaries and wages	13,150,883	12,432,800
Social security funds contributions	2,680,477	1,174,226
Other staff benefits	-	522,680
	<u>15,831,360</u>	<u>14,129,706</u>

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

12. PROPERTY AND EQUIPMENT

	Buildings TZS'000	Motor vehicles TZS'000	Motorcycles & bicycles TZS'000	Equipment TZS'000	Computers TZS'000	Furniture & fittings TZS'000	Tools and machinery TZS'000	Capital work in-progress TZS'000	Total TZS'000
Year ended 31 December 2022									
Opening net book value	76,215,758	-	-	1,044,771	101,578	176,527	2,633,598	8,213,023	88,385,255
Additions	529,912	-	24,260	150,281	88,499	586,628	312,425	701,138	2,393,143
Transfers	1,457,028	-	-	5,052,099	221,657	1,170,007	76,948	(7,977,739)	-
Depreciation charge	(3,435,375)	-	(3,538)	(775,648)	(123,209)	(215,348)	(619,420)	-	(5,172,538)
Closing net book value	74,767,323	-	20,722	5,471,503	288,525	1,717,814	2,403,551	936,422	85,605,860
At 31 December 2022									
Cost/ valuation	83,107,293	258,442	42,392	11,086,900	2,016,983	2,930,224	5,071,171	8,914,161	113,427,566
Accumulated depreciation	(8,339,970)	(258,442)	(21,670)	(5,615,397)	(1,728,458)	(1,212,410)	(2,667,620)	(7,977,739)	(27,821,706)
Net book value	74,767,323	-	20,722	5,471,503	288,525	1,717,814	2,403,551	936,422	85,605,860

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

12 PROPERTY AND EQUIPMENT (CONTINUED)

Year ended 31 December 2021	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
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	258,442	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)	(258,442)	(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

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 2022 (CONTINUED)

12. PROPERTY AND EQUIPMENT (CONTINUED)

The Organisation's buildings were revalued on 31 March 2019 by independent professional valuers, J&B property Management Consultants (T) limited. Level 3 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.

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of the buildings class as well as the significant unobservable inputs.

Valuation technique	Significant unobservable conditions
<p>The organization has opted to utilize the Current Replacement Cost (CRC) method for assessing the value of its land and buildings for accounting and financial reporting purposes.</p> <p>The Organisation employed the Depreciated Replacement Cost (DRC) approach for land and buildings when market data were not readily accessible, as an alternative to the open market approach</p> <p>The Current Replacement Cost (CRC) method determines the value of a property based on its original purchase price as new. Under this approach, the property's value is calculated by considering its replacement cost or the cost of acquiring a new property or a suitable substitute at the valuation date. If the property being appraised is not new or is considered obsolete, the established Replacement Cost is then adjusted for depreciation to derive the property's "Depreciated Replacement Cost" or market value.</p> <p>Depreciated Replacement Cost (DRC) refers to the current Replacement Cost of an item less an allowance for its physical depreciation, i.e., wear and tear, economic and functional obsolescence.</p> <p>Note: full year's depreciation is charged in the year of purchase and no depreciation is charged in the year of disposal.</p>	<p>(i) Selling price of similar pieces of land as subject plots reviewed.</p> <p>(ii) Depreciation (usually ranging from 5%, to 100% depending on the observed conditions of the building.</p>

Fully depreciated assets

The asset categories below are accounts for fully depreciated assets.

	2022	2021
	TZS '000	TZS '000
Motor Vehicles	258,442	258,442
Furniture and Fittings	832,561	305,867
Motorcycles and Bikes	18,132	18,132
Equipment's	3,785,811	2,754,370
Tools and Machinery	30,561	25,874
Intangible assets	866,126	866,126
	<u>5,791,633</u>	<u>4,228,811</u>

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

13. INTANGIBLE ASSETS

	2022	2021
	TZS '000	TZS '000
Opening net book value	-	-
Additions	404,116	-
Amortization charge	<u>(75,772)</u>	<u>-</u>
	328,344	-
At 31 December		
Cost/ valuation	1,270,242	866,126
Accumulated depreciation	<u>(941,898)</u>	<u>(866,126)</u>
Net book value	<u>328,344</u>	<u>-</u>

14. INVENTORIES

	2022	2021
	TZS '000	TZS '000
Medical Consumables	638,144	909,944
Non-Medical Consumable	367,354	250,029
Medicine	211,429	316,685
Optical Devices and Consumables	589,312	562,840
ICT Stocked Items	2,504	2,223
Handcraft Items	17,698	30,599
Office Stationery and Consumables	50,751	83,555
Assistive Devices Materials	78,126	-
Raw Material (CBT)	15,240	15,731
Mabinti WIP (CBT)	10,872	2,936
Biomedical Materials	2,138	-
Provision for obsolete inventories	<u>-</u>	<u>(102,733)</u>
	<u>1,983,568</u>	<u>2,071,809</u>

The amount of inventories recognised as expense and charged to the cost of consumables during the year is TZS 3,661,736,000 (2021: TZS 2,922,620,000).

Movement on the provision for inventory impairment:

	2022	2021
	TZS '000	TZS '000
At 1 January	102,733	102,733
Writing off provision for Expired Drugs	<u>(102,733)</u>	<u>-</u>
At 31 December	<u>-</u>	<u>102,733</u>

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

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

15. TRADE AND OTHER RECEIVABLES

	2022 TZS '000	2021 TZS '000
Trade receivables	4,453,462	2,111,187
Due from Kuponu Foundation	2,770,171	2,770,171
Less: provision for impairment losses	<u>(4,116,378)</u>	<u>(3,451,368)</u>
Trade receivables and other receivables – net	3,107,255	1,429,990
Prepayments	748,248	1,618,984
Advances and imprest balances	11,798	38,990
Refund receivable	-	506,375
Other receivables	528,525	-
Impairment provision	<u>(719,888)</u>	<u>(719,888)</u>
	<u>3,675,938</u>	<u>2,874,451</u>

Movement on the provision for financial assets:

	2022 TZS '000	2021 TZS '000
At 1 January	3,451,368	3,098,925
Charged to surplus or deficit	<u>665,010</u>	<u>352,443</u>
At 31 December	<u>4,116,378</u>	<u>3,451,368</u>

Movement on provision for non-financial assets:

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

16. GRANT RECEIVABLES

	2022 TZS '000	2021 TZS '000
Humanitarian Grand Challenges	20,709	-
Danida FC	814	-
Engender Health	<u>-</u>	<u>112,761</u>
	<u>21,523</u>	<u>112,761</u>

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

17. CASH AND CASH EQUIVALENTS

	2022 TZS '000	2021 TZS '000
Cash at bank	9,850,630	10,664,300
Cash in-hand	1,076	4,204
	<u>9,851,706</u>	<u>10,668,504</u>
Bank overdraft	-	(192,542)
Net cash and cash equivalents	<u>9,851,706</u>	<u>10,475,962</u>

The Organisation had an overdraft facility with CRDB bank of TZS 1 billion (2021: TZS 192,542) at an interest rate of 14.5% per annum for 12 months from the date of first drawdown, for the purpose of financing its working capital requirement. The Organisation paid back the facility end of 2022.

The loan was secured by a legal mortgage over a portion of landed property described under Certificate of Title No. DSMT 1007324, Plot No. P21170 and DSMT 1007325, Plot P21171, 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.

18. BORROWINGS

	2022 TZS '000	2021 TZS '000
Non-Current		
Bank borrowings	5,982,367	6,043,859
	<u>5,982,367</u>	<u>6,043,859</u>
Current		
Bank borrowings	632,145	875,279
	<u>632,145</u>	<u>875,279</u>
Total borrowings	<u>6,614,512</u>	<u>6,919,138</u>

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

	2022 TZS '000	2021 TZS '000
At 1 January	6,919,138	6,303,878
Additional loan	135,490	6,895,604
Interest expenses	515,105	761,396
Repayment of interest	(381,532)	(738,043)
Repayment of principal	(577,998)	(6,304,043)
Unrealised exchange loss	4,309	346
At 31 December	<u>6,614,512</u>	<u>6,919,138</u>

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. DSMT 1007324, Plot No. P21170 and DSMT 1007325, Plot P21171, Msasani Area in Kinondoni Municipality, Dar es Salaam and a mortgage guarantee valued at TZS 4,097 million.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

18. BORROWINGS (CONTINUED)

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.

Amount of loan : 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. DSMT 1007324, Plot No. P21170 and DSMT 1007325, Plot P21171, Msasani, Dar es Salaam.

Financial covenants: None

On 1 February 2022, the Organisation secured an insurance loan from CRDB bank to finance the insurance premium payment covering Motor and Non-Motor properties as indicated below;

Amount of insurance loan: TZS 135 489 988

Repayment period: 12 months

Maturity date: 2023/01/31

Interest: Fixed interest rate of 7% per annum

Collateral: A lien over a fixed deposit/current account number with an amount which is equivalent or not less than two monthly instalments of the facility

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

19. DEFERRED GRANTS INCOME

Donor's Name - 2022	Currency	Opening balance TZS '000	Receipts during the year TZS '000	Utilised during the year TZS '000	Transfers TZS '000	Unrealised foreign exchange TZS '000	Year-end balance TZS '000
192 - CBM 3833	USD	29,501	-	(26,974)	-	(2,527)	-
CBM-COVID	TZS	15,128	-	(15,176)	48	-	-
CBM Germany	TZS	32,041	163,658	(192,529)	-	-	3,170
CBM Germany	EUR	158,659	-	(198,384)	-	39,725	-
AMREF	TZS	48,073	121,982	(174,234)	4,179	-	-
Humanitarian Grand Challenges	USD	41,684	-	(46,255)	-	4,571	-
IRISH AID	EUR	995,901	-	(941,350)	-	(54,551)	-
IRISH AID	EUR	-	1,125,959	(782,363)	-	92,273	435,869
Equinor Tanzania AS	TZS	52,136	-	(52,805)	(669)	1,338	-
Hope & Healing	TZS	1	333,531	(333,531)	(1)	-	-
Hope & Healing	TZS	161,924	233,522	(177,401)	(218,045)	-	-
Hope and Healing	TZS	-	105,085	(264,647)	228,950	-	69,388
Hope and Healing	TZS	-	311,785	(73,932)	-	-	237,853
Fistula Foundation	USD	873	344,672	(377,710)	(31,567)	63,732	-
J&J	USD	720,746	1,028,823	(1,101,918)	-	4,004	651,655
J&J	USD	28,343	-	-	28,480	(56,823)	-
Dorothea Haus Ross Foundation	USD	88,041	-	(88,091)	-	50	-
ICRC	USD	71,847	41,556	(61,430)	-	(2,592)	49,381
TCF	USD	139,884	-	-	-	393	140,277
Johnson & Johnson Foundation	USD	225,627	-	(229,238)	-	3,611	-
Laerdal Foundation	USD	23,480	-	(19,735)	-	(3,745)	-
DFATD/GAC	CAD	-	223,736	(149,241)	-	(5,711)	68,784
Kupona Foundation	USD	-	185,376	(184,047)	897	(2,226)	-
DANIDA	DKK	-	50,831	(53,658)	-	2,827	-
KfW	EUR	2,943,747	747,551	(2,482,939)	1,083,255	(178,152)	2,113,462
EHfK	EUR	1,477,418	-	(70,486)	(1,083,255)	(140,634)	183,043
CAPDA	USD	12,350	-	(13,110)	-	760	-
CBM Switzerland	USD	91,072	-	-	-	439	91,511
LFTW	EUR	100,088	-	(73,979)	19,404	(45,513)	-
DANIDA	DKK	-	6,520,373	(3,262,317)	-	46,073	3,304,129
UNFPA	TZS	-	18,474	(21,813)	3,339	-	-
Johnson & Johnson Foundation	USD	-	374,788	(221,824)	-	(98)	152,866
Deutsche Gesellschaft fur (GIZ)	EUR	-	591,569	(508,388)	-	(30,724)	52,457
Engender Health	USD	-	127,882	(120,599)	-	(176)	7,107
Miracle feet	USD	-	185,405	(185,405)	-	-	-
Fistula Foundation	USD	-	1,036,498	(966,687)	-	(286)	69,525
Hope and Healing	TZS	-	277,225	(275,661)	-	-	1,564
CAPDA	USD	-	28,211	(6,254)	-	50	22,007
Light for the World	EUR	-	123,918	(128,385)	-	7,682	3,215
Fistula Foundation	USD	-	20,116	(20,481)	-	365	-
		7,458,564	14,322,526	(13,902,977)	35,015	(255,865)	7,657,263

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

19. DEFERRED GRANTS INCOME (CONTINUED)

Donor's Name - 2021	Currency	Opening balance TZS '000	Receipts during the year TZS '000	Utilised during the year TZS '000	Transfers TZS '000	Unrealised foreign exchange TZS '000	Year-end balance TZS '000
192 - CBM 3833	USD	29,510	-	-	-	(8)	29,502
CBM-COVID	TZS	15,128	-	-	-	-	15,128
CBM Germany	TZS	-	38,375	(6,334)	-	-	32,041
CBM Germany	EUR	1,139,571	1,661,666	(2,593,991)	-	(48,587)	158,659
AMREF	TZS	57,472	300,821	(310,220)	-	-	48,073
TIGO	TZS	-	110,000	(110,018)	18	-	-
Humanitarian Grand Challenges	USD	119,830	-	(78,111)	-	(35)	41,684
UNICEF	USD	22,578	-	(22,779)	208	(7)	-
WISE	USD	58,263	-	(106,660)	48,414	(17)	-
IRISH AID	EUR	-	1,902,153	(863,810)	-	(42,442)	995,901
Equinor Tanzania AS	TZS	-	115,002	(62,866)	-	-	52,136
CBM Canada-TZS	USD	11,564	93,971	(99,475)	(6,056)	(4)	-
Direct Relief	USD	-	114,809	(114,056)	(753)	-	-
CBM Canada-TZMO	USD	23,364	80,126	(112,650)	9,166	(6)	-
Hope & Healing	TZS	-	304,080	(304,079)	-	-	1
CBM	TZS	-	254,025	(92,101)	-	-	161,924
Porticus	EUR	77,528	-	(76,757)	1,989	(2,760)	-
SPIDER	EUR	37,686	24,810	(54,479)	(6,363)	(1,654)	-
Fistula Foundation	USD	150,198	-	(163,661)	13,507	(44)	-
Fistula Foundation (DAP)	USD	344,665	689,127	(1,032,817)	-	(102)	873
J&J	USD	16,106	-	-	(16,101)	(5)	-
J&J	USD	490,858	938,647	(708,625)	-	(134)	720,746
J&J	USD	251,805	-	(223,388)	-	(74)	28,343
Dorothea Haus Ross Foundation	USD	-	97,426	(9,386)	-	1	88,041
CEFA	EUR	24,858	-	-	(22,967)	(1,891)	-
ICRC - Support for Rehabilitation Services CCBRT	USD	125,437	81,571	(135,126)	-	(36)	71,846
WILD GANZEN	EUR	-	-	-	-	-	-
TCF	USD	139,923	-	-	-	(39)	139,884
Smile Train	USD	11,492	-	(13,119)	1,435	192	-
Smile Train	USD	28,805	-	(28,645)	(152)	(8)	-
Smile Train	USD	862	-	-	(862)	-	-
EIDHR	EUR	11,872	31,641	(42,203)	(839)	(471)	-
Johnson & Johnson Foundation	USD	-	362,760	(137,136)	-	2	225,626
Laerdal Foundation	USD	39,081	-	(15,590)	-	(11)	23,480
DFATD/GAC	CAD	2,521,301	1,625,626	(3,911,543)	(277,281)	41,897	-
Kupona Foundation	USD	-	60,159	(28,395)	-	(31,764)	-
Kupona Foundation	USD	-	9,099	(9,283)	184	-	-
DANIDA	DKK	-	3,728,023	(3,516,781)	(197,554)	(13,688)	-
DANIDA	DKK	2,875	60,496	(56,770)	(2,453)	(4,148)	-
KfW	EUR	11,153,961	2,650,132	(10,325,851)	-	(534,494)	2,943,748
EHfK	EUR	730,243	1,358,680	(521,740)	-	(89,765)	1,477,418
Engender Health	USD	-	29,179	(101,805)	72,627	(1)	-
Miracle Feet	USD	6,198	47,472	(65,170)	11,522	(22)	-
CAPDA	USD	-	52,454	(40,104)	-	-	12,350
CBM Switzerland	USD	91,097	-	-	-	(25)	91,072
LFTW	EUR	97,967	456,408	(446,426)	-	(7,861)	100,088
		17,832,098	17,278,738	(26,541,950)	(372,311)	(738,011)	7,458,564

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

19. DEFERRED GRANTS INCOME (CONTINUED)

The deferred grant income

	2022	2021
	TZS '000	TZS '000
Current liability	7,657,263	7,458,564
Non-current liability	-	-
	<u>7,657,263</u>	<u>7,458,564</u>

20. TRADE AND OTHER PAYABLES

	2022	2021
	TZS '000	TZS '000
Trade payables	2,549,394	3,346,680
Staff related liabilities	36,300	593,019
Accruals	582,122	1,917,814
Mabinti Shop	-	53,005
Statutory liabilities	59,819	42,195
Advance payments-costs sharing from patients	496,656	349,588
Due to Kupona Foundation	161,985	161,985
NSSF penalty	1,116,915	777,067
	<u>5,003,191</u>	<u>7,241,353</u>

21. CAPITAL COMMITMENTS

	2022	2021
	TZS '000	TZS '000
Capital expenditure committed and contracted for	-	-
	<u>-</u>	<u>-</u>

22. RELATED PARTY TRANSACTION AND BALANCES

Key personnel remuneration

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:

	2022	2021
	TZS '000	TZS '000
Salaries	924,296	1,036,170
Short-term benefits	24,449	435,688
Post-employment benefits	94,875	124,444
	<u>1,043,620</u>	<u>1,596,302</u>

Governing Board members' remuneration

No remuneration was paid to members of the Governing Board.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

22. RELATED PARTY TRANSACTION AND BALANCES (CONTINUED)

Material related party balances and transactions

Kupona Foundation (Kupona) was founded by CCBRT in 2009 in the USA with the primary objective of fundraising. Kupona operates independently, and CCBRT does not exert control over the foundation. Kupona functions autonomously, managing its own operations and decision-making processes.

a) Related party transaction during the period

	2022 TZS '000	2021 TZS '000
Grant revenue from Kupona foundation	<u>184,047</u>	<u>73,218</u>

b) Related party balances as at year ended

	2022 TZS '000	2021 TZS '000
Due from Kupona foundation	<u>2,770,171</u>	<u>2,770,171</u>
Due to Kupona foundation	<u>(161,985)</u>	<u>(161,985)</u>

23. TAXATION

Income tax

The Organization is subject to Income Tax Laws of Tanzania under the Income Tax Act, 2004 and was granted a charitable status as described in Note 4 (n).

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 (2021: Nil).

Deferred tax

At 31 December 2022, the Organization has deferred tax asset of TZS 17.5 billion (2021: TZS 16.3 billion). The movement in the deferred tax account is as follows:

	2022 TZS '000	2021 TZS '000
At the beginning of the year - Deferred tax asset	16,124,341	15,261,053
Credit for the year	<u>1,417,143</u>	<u>863,289</u>
At the end of the year - Deferred tax asset	<u>17,541,484</u>	<u>16,124,342</u>

The composition of the deferred tax assets at 31 December 2022 is as shown in the table below:

	2022 TZS '000	2021 TZS '000
Temporary difference from property and equipment	3,332,987	2,508,954
Revaluation gains	3,386,252	3,516,134
Trade receivables impairment	(4,836,266)	(4,171,256)
Losses carried forward	<u>(60,354,587)</u>	<u>(56,306,733)</u>
Total giving rise to deferred tax asset	<u>(58,471,614)</u>	<u>(54,452,901)</u>
Provision for deferred tax asset at 30%	<u>(17,541,484)</u>	<u>(16,335,870)</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.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

24. GOING CONCERN

The Organization's ability to continue operating as a going concern is heavily reliant on funding received from various donors. During the year, the Organization experienced a loss of TZS 109 million, whereas it had a surplus of TZS 8 billion in 2021. As of the year-end, the Organization's net current assets position was TZS 2.2 billion, a significant improvement from the net current liability position of TZS 40.2 million in December 2021. This change was primarily due to a reduction in trade and other payables by TZS 2.5 billion in the current period. The decrease in payables was a result of the Organization's revised purchasing policy, which now involves monthly purchases as opposed to the previous annual purchases. Additionally, the Organisation had a positive net cash flow from operations.

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.

25. 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 2022			
Financial assets not measured at fair value			
Trade receivables (Note 15) – net of impairment	3,107,255	3,107,255	-
Other receivables	528,525	528,525	-
Grant receivable	21,523	21,523	-
Cash and cash equivalents	9,851,706	9,851,706	-
	<u>13,509,009</u>	<u>13,509,009</u>	<u>-</u>
Financial liabilities not measured at fair value			
Trade and other payables	2,549,391	-	2,549,391
Borrowings	6,614,512	-	6,614,512
Overdraft	-	-	-
	<u>9,163,903</u>	<u>-</u>	<u>9,163,903</u>
31 December 2021			
Financial assets not measured at fair value			
Trade receivables (Note 15) –Net of impairment	1,429,990	1,429,990	-
Grant receivable	112,761	112,761	-
Other receivables	506,375	506,375	-
Cash and cash equivalents	10,668,504	10,668,504	-
	<u>12,717,630</u>	<u>12,717,630</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	192,542	-	192,542
	<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 2022 (CONTINUED)

25. FAIR VALUE MEASUREMENTS (CONTINUED)

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".

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. CCBRT is the ultimate holding organisation.

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.