COMPREHENSIVE COMMUNITY- BASED REHABILITATION IN TANZANIA (CCBRT)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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ORGANISATION INFORMATION

PRINCIPAL PLACE OF BUSINESS

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

REGISTRATION

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

BANKERS

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

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

NBC Limited
Moshi Branch
PO Box 3030
Moshi
Tanzania

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

SOLICITORS

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

AUDITORS

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

GOVERNING BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The Governing Board Members submit their report together with the audited financial statements for the year ended 31 December 2017, which disclose the state of affairs of Comprehensive Community-Based Rehabilitation in Tanzania ("the Society").

1 BACKGROUND AND PRINCIPAL ACTIVITIES

The Comprehensive Community Based Rehabilitation in Tanzania (CCBRT) is a locally registered non-governmental organisation established in 1994. Since its opening, CCBRT has grown to become the largest rehabilitation and disability service provider in Tanzania through its ophthalmology, orthopaedic and rehabilitation, plastic and reconstructive surgery, and maternal and newborn health services. CCBRT operates the country's largest obstetric fistula programme and leads in cleft lip/palate and clubfoot treatments. In 2017, CCBRT provided clinical and rehabilitation services at two facilities, its hospital in Dar es Salaam and rehabilitation centre Moshi, and further supported 30 partner facilities.

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

Training and capacity building are essential to CCBRT's work, and will be further strengthened through the establishment of a training centre, the 'CCBRT Academy', which will provide 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 CCBRT clients is done through the Moshi rehabilitation centre and the Mabinti Centre in Dar es Salaam, which provides training courses and employment for women who received treatment for fistula at CCBRT.

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

CCBRT seeks to provide accessible specialised healthcare for all Tanzanians in need. All children under the age of five and the most vulnerable patients receive care for free. To ensure accessibility, clients receive care at subsidised rates, but can choose additional amenities through the private services, whose revenue cross-subsidises free and standard care. CCBRT is in the process of expanding its private services in order not only to improve the financial health of the organisation but also to ensure continued services for the children under the age of five and most vulnerable patients.

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

GOVERNING BOARD MEMBERS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

1 BACKGROUND AND PRINCIPAL ACTIVITIES (CONTINUED)

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

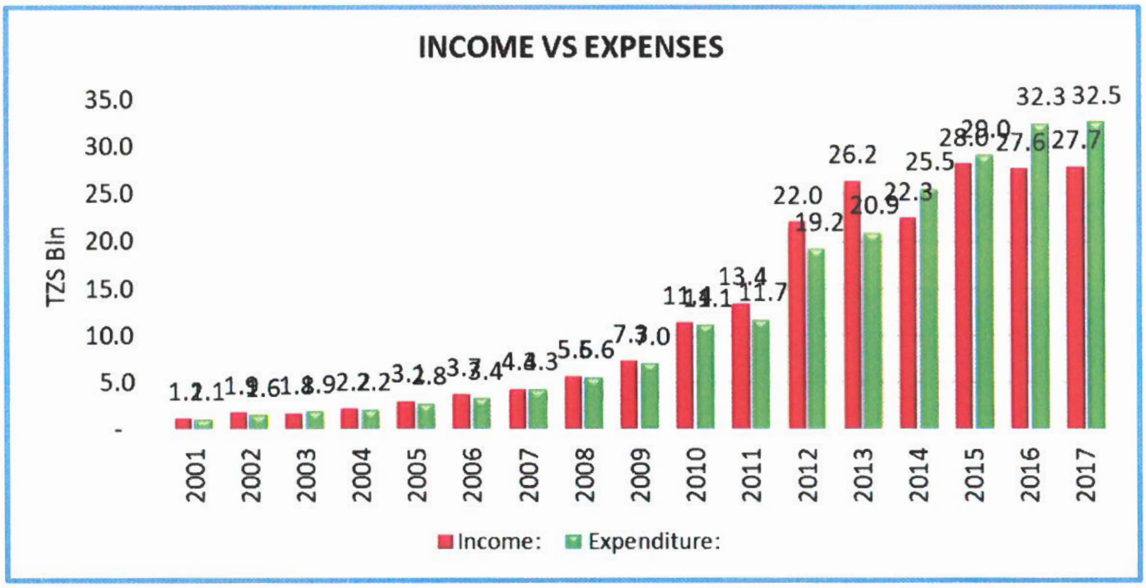
Mission

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

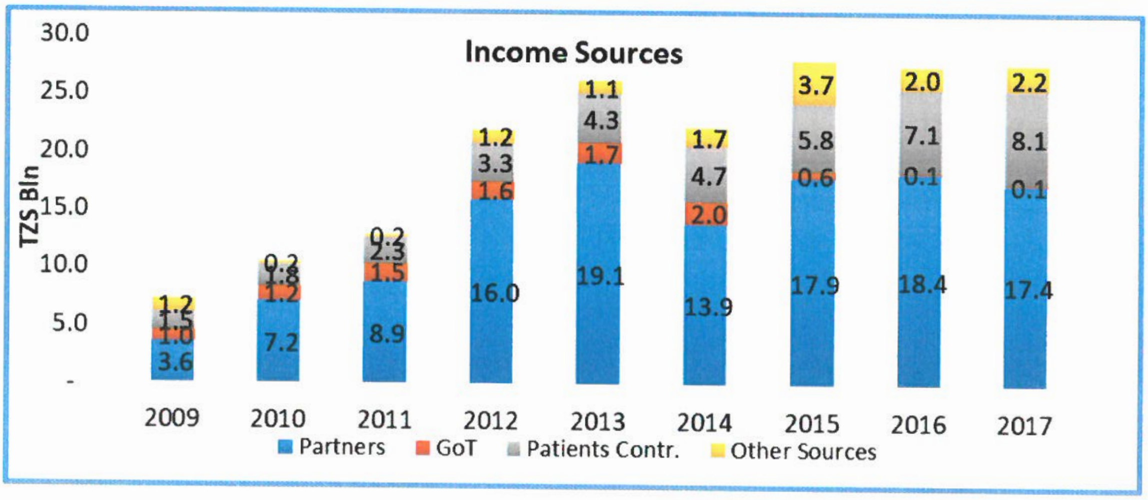
Working Principles

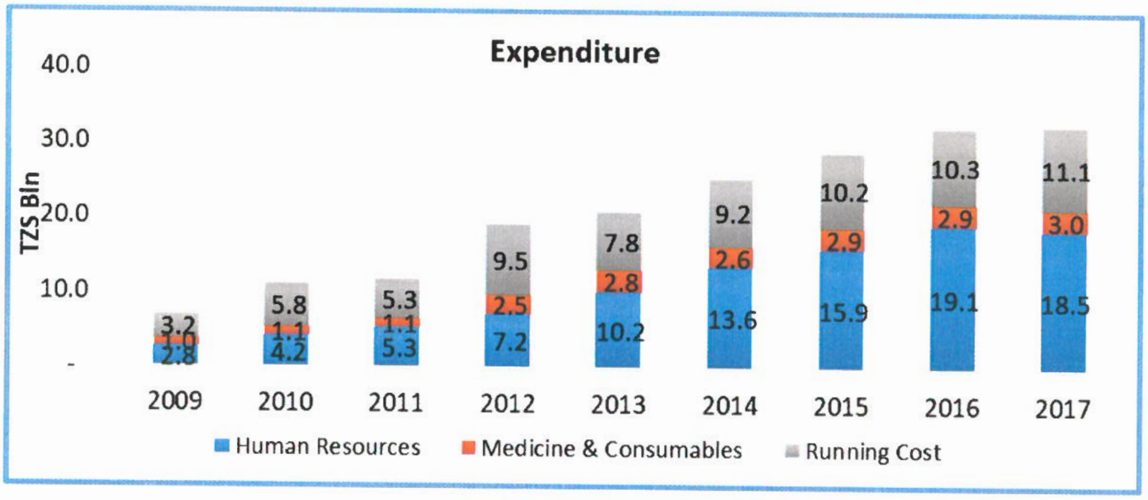
a) Working in and with communities to reach disadvantaged people;
b) Ensuring long-term impact;
c) Strengthening capacity through sustainable strategies;
d) Working in collaboration;
e) Embracing the Public-Private Partnership with the Government of Tanzania;
f) Adhering to national and international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

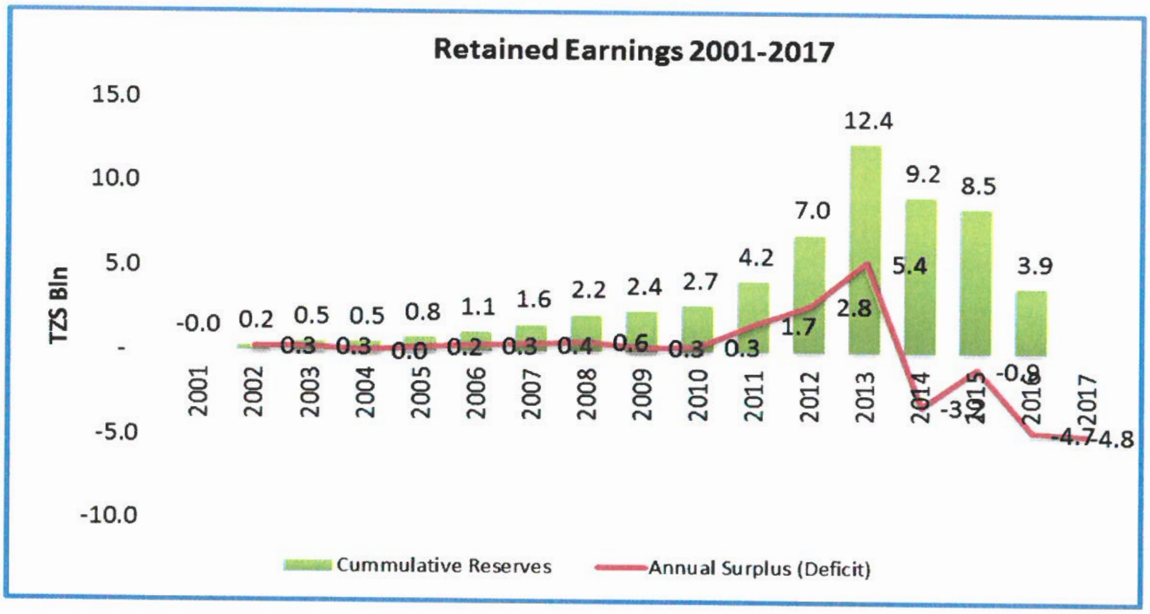
2 FINANCIAL HIGHLIGHTS



2 FINANCIAL HIGHLIGHTS (CONTINUED)







3 SERVICE DELIVERY REVIEW

Service Delivery against 2013-2017 Strategy								
Service Delivery Area	**Achievements**					**Total 5 years**	**Total Target 2013-2017**	**Comments**
	2013	**2014**	**2015**	**2016**	**2017**			
Disability Services								
Eye Consultations	83,705	98,301	86,765	70,532	65,682	404,985	460,000	Under target
Eye Surgeries	7,769	7,823	7,896	7,646	6,367	37,501	35,000	Above target
Orthopaedic Department Consultations	23,826	21,956	20,344	24,605	24,676	115,407	90,000	Above target
Orthopaedic and Reconstructive Surgeries (including burns)	1,151	936	946	1,845	1671	6,549	5,000	Above target
Congenital Clubfoot Treatments (new patients)	358	425	599	480	479	2,341	1,500	Above target
Cleft Lip/Palate Surgeries	458	437	400	427	311	2,033	2,500	Under target
Vesicovaginal Fistula (VVF) Surgeries	713	846	920	1012	738	4,229	4,650	Under target
Assistive Devices Provided (prosthetics and orthotics, special seats, orthopaedic devices, glasses)	14,000	32,660	31,397	21,494	14,016	113,567	70,000	Above target
Community Services								
Families Supported through CBR	3,844	5,992	8,869	5,553	4,870	29,128	12,000	Above target
Children with Disabilities in Schools	910	625	892	685	340	3,452	4,000	Under target
Capacity Building								
People Trained in Disability Inclusion	111	733	1,162	562	593	3,161	1,000	Above target
Maternal Healthcare Professionals Trained	1,500	1,693	990	1,280	1,332	6,795	4,000	Above target
Professionals Trained (Medical, Rehabilitation, Management)	400	246	532	1,329	472	2,979	1,500	Above target
Maternal and Newborn Services								
Antenatal care visits	-	-	-	-	-	-	137,500	Supported through Capacity Building Programme
Total deliveries	78,617	105,185	78,720	75,351	84,625	422,498	45,800	
Caesarean sections	7,951	10,718	9,680	10,473	11,984	50,806	18,500	
Postnatal care visits	-	-	-	-	-	-	91,600	
Immunisation visits	-	-	-	-	-	-	458,000	
Family planning sessions	-	-	-	576	1,080	1,656	45,800	
Integrated prevention of mother-to-child transmission of HIV	-	-	-	-	-	-	45,800	

4 PERFORMANCE RESULTS FOR THE YEAR

The total income (revenue, other income, and finance income) increased by 0.4% in 2017 with a total of TZS 27.7 billion (2016: TZS 27.6 billion). The increase is mainly attributed to increase in revenue from patients' contribution.

The statement of financial position shows that during the year total assets increased by 1% to TZS 95.7 billion (2016: TZS 94.9 billion). The increase is mainly attributed to the acquisition of new equipment for the Construction of New Private Clinic and Maternal and New born Hospital.

The net loss for the year of TZS 4,811 million (2016: TZS 4,776 million) has been transferred to the retained earnings account. The increase in the loss for the year has been attributed to the depreciation of Tanzanian Shilling against foreign currencies i.e. EURO and USD.

5 GOING CONCERN

The Governing Board Members confirm that applicable accounting standards have been followed and the financial statements have been prepared on a going concern basis. Despite the fact that the entity incurred a loss of TZS 4.8 billion and generated negative cash flow from operations of TZS 3.5 billion for the year then ended, the Governing Board Members have reasonable expectation that CCBRT has adequate resources to continue with its operation at least 12 months from the date of these financial statements.

6 EMPLOYEE WELFARE

With more than 420 staff by the end of 2017, over half of those are clinical staff, CCBRT continues to maintain expertise essential for quality specialised health care. CCBRT aims to retain, attract and recruit staff who share the organisation's values and reflect the diverse community served; 60% of the staff are female and over 6% of the employees have disabilities. The Association of Tanzania Employers recognised CCBRT as 1st runner up Best NGO Employer of the Year Award, and the most diverse and inclusive Employer of the Year award at its annual Employer of the Year Award event.

Planning for a Training Centre, (the 'CCBRT Academy') continued under the leadership of the new Technical Advisor Training and Capacity Building. The 'CCBRT Academy' will become operational during the first half of 2018 and will provide training and education opportunities for CCBRT.

The Society pays contributions to the National Social Security Fund (NSSF), Parastatal Pension Fund (PPF), Local Authority Pension Fund (LAPF), GEPF Retirement Benefit Fund and Public Service Pensions Fund (PSPF), publicly administered pension plans, on a mandatory basis that qualify to be defined contribution plans. The average number of employees during the year was 422 (2016: 475).

7 RESERVES

Retained earnings

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

Revaluation reserve

In 2013, the Society's buildings were valued, where the measurement was Level 2. All classes of assets (property and equipment) are carried out at cost model as per note 11 of the financial statements. The revaluation reserve generated is not available for distribution.

8 FUTURE DEVELOPMENT

Private Clinic
CCBRT aims to utilise Dar es Salaam's growing population and rising demand for quality healthcare services to cross-subsidise free or low-cost treatments provided to vulnerable clients by opening a new facility for its private services. The newly constructed facility will host CCBRT current and expanded private services. The construction progressed well during 2017 and is expected to be completed during the first half of 2018.

Maternity and Newborn Hospital
CCBRT's future maternal and newborn healthcare services will include comprehensive care and support for expectant mothers, from early pregnancy, through antenatal care, labour and delivery, and post-delivery care. CCBRT will function as a tertiary level care facility and will deal with referrals of high risk and complicated pregnancies, emergency referrals of complicated deliveries and women with vulnerable pregnancy, including pregnant women with a disability, past history of fistula in pregnancy and young teenagers. During 2017, the establishment of the Maternity and Newborn Hospital progressed with the finalisation of the design and the preparation of the documentation for the tender for the final phase construction to be launched in 2018.

9 CAPITAL STRUCTURE

The capital structure of CCBRT is created by grants/donations received for acquisition of fixed assets. The acquired assets are capitalised and become capital grant. The Members of Society (the General Assembly) have no rights to the fixed assets of the Society.

10 CORPORATE GOVERNANCE

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

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

11 GOVERNING BOARD MEMBERS

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

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

12 AUDITORS

The auditor, PricewaterhouseCoopers, has expressed its willingness to continue in office and is eligible for re-appointment. A resolution proposing the re-appointment of PricewaterhouseCoopers as auditor of the Society for the year ending 31 December 2018 will be put to the Governing Board Members' Meeting.

BY ORDER OF THE GOVERNING BOARD

Dr Willibrod P. Slaa **President**	**Mr Erwin Telemans** **CEO**
5 JUNE 2018 **Date**	5 JUNE 2018 **Date**

WORD FROM THE CEO
FOR THE YEAR ENDED 31 DECEMBER 2017

In 2017, CCBRT improved the health, education and livelihoods of more than 100,000 individuals at risk for or living with a disability, and impacted 160,000 mothers and newborns through its capacity building programme in Dar es Salaam Region. As a specialist referral facility, CCBRT plays an important role as service provider, a model of inclusive services, a stakeholder in capacity building, and an important part of Tanzania's referral system. CCBRT complements the national health system by serving a niche section of health care needs: ophthalmology, orthopaedics and rehabilitation, plastic and reconstructive surgery, and maternal, newborn and child health.

Our overall aim is to provide access to quality disability services for all, especially for children for whom intervention early in life is crucial. In 2017, 21% of our clients received free services and 19% were children under five. The quality of our services are reflected in the Level 4 Safe Care certificate and we continue to work towards Level 5.

2017 was a year of investments in systems and people to enable change. Overall restructuring of the organisation was initiated during the second half of 2017. The structural changes started from the senior management of the organisation where a Hospital Executive Committee (HEC) consisting of five members was formed; a leaner and more focused entity than the former eight-headed Senior Management Team. The restructuring also put emphasis on the core business of CCBRT, our clinical services. A new vision, mission and established values have been set and will be owned and lived by the teams as they conduct their day-to-day work. This management system will ensure quality service provision across the organisation and efficiency gains, hence reduced cost.

To improve the financial health of the organisation, measures have been taken to control costs and increase income-generation. A business culture with financial accountability at all levels of the organisation is being created, necessary to transition the organisation from a traditional non-governmental organisation mentality (fundraise and spend) to a social enterprise mind set (cost control and sustainability). Through improved budget management and utilisation, forecasting and daily monitoring, the financial situation is monitored closely and informs decision-making in line with available funding. At the same time, CCBRT is expanding and introducing new services, including Saturday clinics and gynaecology, in order to generate more income. The facility for private services will open its doors during the second quarter of 2018.

We would not have been able to reach over a quarter million people and improve our systems without our partners extending technical, financial, academic or other support. CCBRT looks forward to continued collaboration with its partners, whose support is essential to ensuring CCBRT's long-term impact.

Mr Erwin Telemans
Chief Executive Officer

Date: 5 JUNE 2018

STATEMENT OF THE GOVERNING BOARD MEMBERS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2017

The Society Ordinance, 1954 Cap. 337. R.E 2002, requires the Governing Board Members to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Society as at the end of the financial period, and of its profit or loss for the year. It also requires the Governing Board Members to ensure that the Society keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Society. They are also responsible for safeguarding the assets of the Society and hence taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

The Governing Board Members accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates in conformity with International Financial Reporting Standard (IFRS) and the requirements of the Societies Ordinance, 1954, Cap 337. R.E. 2002.

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

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

Signed on behalf of the Governing Board Members by:

Dr Willibrod P. Slaa **President**	**Mr Erwin Telemans** **Secretary / CEO**
5 JUNE 2018 **Date**	5 JUNE 2018 **Date**

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

DECLARATION OF THE HEAD OF FINANCE
FOR THE YEAR ENDED 31 DECEMBER 2017

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Governing Board Members to discharge the responsibility of preparing financial statements of an entity showing a true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the members of the governing board as under the Statement of Governing Board Members' Responsibilities on an earlier page.

I, Elly Festo, being the Chief Finance Officer for Comprehensive Community-Based Rehabilitation in Tanzania (CCBRT) hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2017 have been prepared in accordance with the International Financial Reporting Standards (IFRS) and Statutory requirements. I thus confirm that the financial statements give a true and fair view position of Comprehensive Community Based Rehabilitation in Tanzania (CCBRT) as on that date and that they have been prepared based on properly maintained financial records.

Signed by

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

Date: 5 JUNE 2018

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

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Comprehensive Community-Based Rehabiliation in Tanzania (the "Society") as at 31 December 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Societies Ordinance, 1954, Cap 337. R.E. 2002.

What we have audited

The financial statements of Comprehensive Community-Based Rehabiliation in Tanzania are set out on pages 14 to 48 comprise:

- the statement of financial position as at 31 December 2017;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in reserves for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Society in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the ethical requirements of the National Board of Accountants and Auditors (NBAA) that are relevant to our audit of the financial statements in Tanzania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the NBAA.

Other information

The Governing Board Members are responsible for the other information. The other information comprises the Organisation Information, Governing Board Members' Report, Word from the CEO, Statement of the Governing Board Members' Responsibilities and Declaration of the Head of Finance. The Other information does not include the financial statements and our auditor's report thereon.

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

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

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

Responsibilities of the Governing Board Members for the financial statements

The Governing Board Members are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Societies Ordinance, 1954, Cap 337.R.E 2002 and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Report on the audit of the financial statements (continued)

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

In preparing the financial statements, the Governing Board Members are responsible for assessing the ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governing Board Members either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.
- Conclude on the appropriateness of the Governing Board Members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Nelson E. Msuya, FCPA – PP

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

Date: 5 JUNE 2018

COMPREHENSIVE COMMUNITY-BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS
THE YEAR ENDED 31 DECEMBER 2017

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	2017 TZS'000	2016 TZS'000
Revenue	5	**25,547,192**	25,556,782
Other income	6	**1,310,749**	1,527,875
Operating costs	8	**(29,748,050)**	(32,342,639)
Operating loss		**(2,890,109)**	(5,257,982)
Finance income	7(b)	**878,879**	482,098
Finance costs	7(a)	**(2,800,171)**	-
Loss before income tax		**(4,811,401)**	(4,775,884)
Income tax expense	10	-	-
Net loss for the year		**(4,811,401)**	(4,775,884)
Other comprehensive income		-	-
Total comprehensive loss for the year		**(4,811,401)**	(4,775,884)

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Note	2017 TZ'000	2016 TZS'000
ASSETS			
Non-current assets			
Property and equipment	11	**43,939,448**	36,772,792
Intangible assets	12	**392,474**	359,351
Grants receivable	15	**25,424,986**	24,194,498
		69,756,908	61,326,641
Current assets			
Inventories	13	**2,374,474**	2,727,255
Accounts receivable	14	**2,306,519**	2,926,964
Grants receivable	15	**7,638,149**	15,168,266
Cash and cash equivalents	16	**13,595,267**	12,724,915
		25,914,409	33,547,400
TOTAL ASSETS		**95,671,317**	94,874,041
RESERVES AND LIABILITIES			
RESERVES			
(Accumulated losses)/Retained earnings		**(801,407)**	3,891,790
Revaluation reserve		**1,308,238**	1,512,723
Total reserve		**506,831**	5,404,513
LIABILITIES			
Non-current liabilities			
Capital grants	18	**34,514,467**	30,954,419
Deferred income grants	19	**29,553,213**	39,157,898
Borrowings	17	**6,420,438**	2,258,701
		70,488,118	72,371,018
Current liabilities			
Deferred income grants	19	**21,304,231**	13,990,367
Accounts payable	20	**3,103,647**	3,108,143
Borrowings	17	**268,490**	-
		24,676,368	17,098,510
TOTAL LIABILITIES		**95,164,486**	89,469,528
TOTAL RESERVE AND LIABILITIES		**95,671,317**	94,874,041

The financial statements on pages 14 to 48 were approved by the Governing Board Members on
5 JUNE 2018 and signed on its behalf by:

Dr Willibrod P. Slaa
President

Mr Erwin Telemans
Secretary / CEO

STATEMENT OF CHANGES IN RESERVES

	(Accumulated losses)/Retained earnings	Revaluation reserve	Total
	TZS'000	TZS'000	TZS'000
Year ended 31 December 2017			
At start of year	**3,891,790**	**1,512,723**	**5,404,513**
Loss for the year	**(4,811,401)**	**-**	**(4,811,401)**
Release from revaluation reserve - depreciation	**118,204**	**(118,204)**	**-**
Release of revaluation reserve - disposal	**-**	**(86,281)**	**(86,281)**
At end of the year	**(801,407)**	**1,308,238**	**506,831**
Year ended 31 December 2016			
At start of year	8,548,815	1,631,582	10,180,397
Loss for the year	(4,775,884)	-	(4,775,884)
Release from revaluation reserve	118,859	(118,859)	-
At end of the year	3,891,790	1,512,723	5,404,513

STATEMENT OF CASH FLOWS

Cash flow from operating activities	Note	2017 TZS '000	2016 TZS '000
Loss for the year		(4,811,401)	(4,775,884)
Adjustments for non-cash items:			
Depreciation	8	1,272,687	1,306,355
Amortisation of intangible asset	8	173,832	71,406
Release of capital grants	6	(1,161,239)	(1,186,575)
Loss on disposal/write off of assets	8	78,722	11,032
Change in working capital items			
Inventory		352,781	247,979
Accounts receivable		620,445	(1,423,968)
Accounts payable		(4,496)	(150,344)
Net cash used in operation		(3,478,669)	(5,899,999)
Cash flow from investing activities			
Purchase of property, plant and equipment	11	(8,806,037)	(5,699,593)
Purchase of intangible assets	12	(5,264)	(419,567)
Proceeds on disposal of equipment		-	12,500
Net cash used in investing activities		(8,811,301)	(6,106,660)
Cash flow from financing activities			
Proceeds from borrowings		4,430,227	2,258,701
Grants received		8,730,095	3,067,550
Cash generated from financing activities		13,160,322	5,326,251
Increase/(decrease) in cash and cash equivalent		870,352	(6,680,408)
Movement in cash and cash equivalents			
At start of year		12,724,915	19,405,323
Increase/(decrease)		870,352	(6,680,408)
At end of year	16	13,595,267	12,724,915

NOTES

1 GOING CONCERN BASIS OF THE FINANCIAL STATEMENTS PREPARATION

The Society incurred a net loss of TZS 4.8 billion and generated negative cash flow from operations of TZS 3.3 billion during the year ended 31 December 2017. The Society is not-for-profit entity and generates its income mainly from the donor funding, hospital services rendered, and medicines sold to patients (cost sharing).

The financial statements have been prepared on a going concern basis having regard to the forecast made for the private clinic which will be in operation for the six months of financial year 2018 and continued support from strategic partners (donors) based on the Strategic Plan prepared for years 2018 to 2022. As at 31 December 2017, strategic partners committed funding through new agreements beyond the financial year 2017 amounting to TZS 62 billion for the Maternity and New born Hospital Construction Project and TZS 15 billion for other operational activities.

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

2 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements of Comprehensive Community Based Rehabilitation in Tanzania (CCBRT) have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRIC interpretations. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of buildings.

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

(b) Changes in accounting policy and disclosures

(i) New and amended standards adopted by the Society

The following standards and amendments have been applied by the Society for the first time for the financial year beginning 1 January 2017:

- Recognition of Deferred Tax Asset for Unrealised Losses-Amendment to IAS 12; and
- Disclosure Initiative – Amendments to IAS 7
- Annual Improvements to IFRSs – 2010-2012 Cycle and 2012-2014 Cycle

The adoption of these amendments did not have any impact on the amounts recognised in the prior periods and will also not affect the current or future periods.

Other standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2017 are not material to the Society.

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

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2017 reporting periods and have not been adopted early by the Society. The Society's assessment of the impact of these new standards and interpretations is set out below.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

The model reflects that, at the start of a lease, the lessee obtains the right to use an asset for a period of time and has an obligation to pay for that right. In response to concerns expressed about the cost and complexity to apply the requirements to large volumes of small assets, the IASB decided not to require a lessee to recognise assets and liabilities for short-term leases (less than 12 months), and leases for which the underlying asset is of low value (such as laptops and office furniture).
A lessee measures lease liabilities at the present value of future lease payments. A lessee measures lease assets, initially at the same amount as lease liabilities, and also includes costs directly related to entering into the lease. Lease assets are amortised in a similar way to other assets such as property, plant and equipment.

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Tanzania shillings in thousands (TZS '000') which is the Society's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

(d) Income recognition

The Society derives its revenue from the following sources:

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

Revenue is recognised as follows:

(i) Donations income: Donations are recognised once there is reasonable assurance that the Society will (a) comply with terms of the agreement(s); and b) there is reasonable assurance that the grant shall be received. Donations received in form of consumables materials (in-kind) are classified as revenue grants.

(ii) Rendering of services: Revenue is recognised upon performance of services or delivery of medicines when the amount can be reliably measured and it is probable that the future economic benefits will flow to the Society.

(iii) Interest income is recognised on a time proportion basis using the effective interest method on an accrual basis.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Property and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Society and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

Assets are depreciated starting in the month they are put into use. Depreciation on assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Asset class	**Rate (%)**
Buildings	4
Tools and Machinery	12.5
Motor vehicles	25
Motorcycles and bicycles	25
Equipment	12.5
Furniture and Fittings	12.5
Computers	33.33

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

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

(f) Intangible assets

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

(g) Inventories

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial assets

(i) Classification

All financial assets of the Society are in the category of loans and receivables.

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are classified as current assets except for maturities greater than 12 months; otherwise, they are classified as non-current. The Society's receivables comprise, 'trade and other receivables'; 'grant receivables' and 'cash and cash equivalents' in the statement of financial position.

(ii) Recognition and measurement

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

(iii) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(iv) Impairment

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Trade and other receivables

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

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

(j) Grant receivables

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

(k) Cash and cash equivalents

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

(l) Taxation

(i) Current income tax

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

(ii) Value added tax

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

(m) Capital grants

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Deferred income grants

Deferred income grants represent an obligation to conduct donor funded activities per contractual commitments made between donors/development partners and the Society/the recipient, where funds have been transferred in advance or not transferred and such activities have not yet occurred. Deferred income grant is a liability and represents a performance obligation. The deferred amount recorded on the recipient's statement of financial position generally represents the cash received in advance and/or contractual obligations, less the amount amortised for services performed to date.

(o) Borrowings

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

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

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

(p) Accounts payable

Accounts payable are obligations to pay for goods and services provided to the Society in the ordinary course of business from suppliers. The obligations are unsecured and are usually paid within 30 days of recognition. Accounts payable are presented as current liabilities unless payment is not due within 12 months after year end.

(q) Employee benefits

(i) Retirement benefit obligations

The Society has a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Society pays fixed contributions into a separate entity. The Society's contributions to the defined contribution schemes are charged in statement of profit or loss in the year in which they relate. The Society has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Society has no further payment obligations once the contributions have been paid.

The Society and all its employees contribute to the National Social Security Fund (NSSF), Local Authority Pension Fund (LAPF), Government Employees Pension Fund (GEPF), Public Service Pension Fund (PSPF) and Parastatal Pension Fund (PPF) which are defined contribution plans.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. For purposes of assessing impairment, assets are grouped at the lowest levels for which these are separately identifiable cash flows (cash-generating units).

(s) Offsetting financial instruments

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

(t) Borrowing costs

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

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

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

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Society makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Impairment of accounts receivable

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

(ii) Impairment of inventories

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

(iii) Estimated useful lives of property and equipment

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

4 FINANCIAL RISK MANAGEMENT POLICIES

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

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

<u>*Market risk*</u>

(i) Foreign exchange risk

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

4 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

Market risk (continued)

(i) Foreign exchange risk (continued)

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

As at 31 December 2017, if the Tanzanian shilling weakened/strengthened by 5% against the US dollar with all other variables held constant, change in loss for the year would have been TZS 202 million lower/higher mainly as a result of foreign exchange gains/losses on translation of US dollar denominated payables, receivables and cash.

As at 31 December 2017, if the Tanzanian shilling weakened/strengthened by 5% against the Euro with all other variables held constant, change in loss for the year would have been TZS 1.7 million higher/lower mainly as a result of foreign exchange gains'/losses on translation of Euro denominated payables, receivables and cash.

(ii) Interest rate risk

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

At 31 December 2017, an increase/decrease of 100 basis points would have resulted in a decrease/increase in post-tax loss of TZS 66.9 million (2016: 22.5 million).

Credit risk

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

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

The amount that best represents the Society's maximum exposure to credit risk at 31 December 2017 is made up as follows:

	2017	2016
	TZS '000	TZS '000
Cash at bank (note 16)	**13,550,937**	12,680,480
Net Trade receivables (note 14)	**1,504,957**	1,878,201
Other receivables (excluding prepayments)	**343,842**	101,927
Grant receivable (note 15)	**33,063,135**	39,362,764
	48,462,871	54,023,372

No collateral is held for any of the above assets.

4 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

Liquidity risk

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

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

	Less than 1 year TZS '000	Between 1 and 5 years TZS '000	Over 5 years TZS '000
At 31 December 2017:			
- trade and other payables (excluding statutory liabilities)	2,579,775	-	-
- interest on borrowings	355,234	967,753	16,357
- bank borrowings	268,490	5,565,671	854,767
	3,203,498	**6,533,424**	**871,124**
At 31 December 2016:			
- trade and other payables (excluding statutory liabilities)	2,352,369	-	-
- interest on borrowings	113,928	363,444	77,274
- bank borrowings	-	1,170,005	1,088,696
	2,466,297	1,533,449	1,165,970

Capital risk management

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

The Society monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less the Society's own cash and cash equivalents after adjusting for donor funds assigned to specific projects. Total capital is calculated as reserves plus net debt.

The gearing ratios at 31 December 2017 and 2016 were as follows:

	2017 TZS'000	2016 TZS'000
Total borrowings (Note 17)	**6,688,928**	2,258,701
Add: cash and cash equivalents deficit adjusted for donor funds	**3,174,714**	1,263,306
Net debt	**9,863,642**	3,522,007
Total reserves	**510,083**	5,404,513
Total capital	**10,373,725**	8,926,520
Gearing ratio	**95%**	**39%**

5 REVENUE

	2017 TZS'000	2016 TZS'000
Grants-Donors (note 5(a))	**16,797,347**	17,648,272
Donation in Kind (note 4(b))	**647,961**	767,364
Total grants and donations	**17,445,308**	18,415,636
Cost sharing from patients	**8,101,884**	7,141,146
Total	**25,547,192**	25,556,782

(a) Grants-Donors

	2017 TZS'000	2016 TZS'000
Danish International Development Agency (DANIDA)	**3,512,500**	1,520,073
Christian Blind Mission (CBM)	**2,630,010**	2,858,215
Vodafone Foundation-USAID	**2,287,000**	2,764,276
Global Affairs Canada (GAC)	**2,000,084**	3,605,310
Swiss Agency for Development and Cooperation (SDC)	**1,439,337**	427,307
Irish Embassy	**1,257,897**	2,155,776
Providing Comprehensive Treatment to Women with Fistula in Tanzania	**719,371**	-
Light for the World (Belgium Directorate General for Development Cooperation) (LftW-DGD)	**493,756**	473,463
Fistula Foundation	**451,022**	-
J&J	**357,926**	-
Smile Train	**300,974**	347,128
Kupona Foundation	**227,667**	792,115
Special Fund for Disabled-International Committee of the Red Cross (SFD-ICRC)	**195,398**	130,874
Human Development Innovation Fund (HDIF)	**180,070**	617,385
Wonderwork	**177,173**	-
CEFA	**127,456**	-
Porticus	**125,195**	153,698
MIC Tanzania Limited	**103,786**	116,380
Other organisations and individuals	**92,536**	71,279
LaVelle	**61,547**	-
Vodacom Foundation	**32,725**	-
Capda	**22,367**	-
Vicenza	**1,550**	32,556
Canadian International Development Agency (CIDA)	-	1,445,354
Fredskorpset (FK) Norway	-	70,994
USAID Child Eye Blindness Programme	-	66,089
	16,797,347	**17,648,272**

(b) Donation in kind

	2017 TZS'000	2016 TZS'000
Other Donors-Medicines and other consumable materials	**578,888**	705,331
Government-Medicines and other consumable materials	**69,073**	62,033
	647,961	**767,364**

		2017 TZS'000	2016 TZS'000
6	**OTHER INCOME**		
	Amortisation of capital grant (note 18)	**1,161,239**	1,186,575
	Other programme income	**149,510**	341,300
		1,310,749	1,527,875
7	**FINANCE INCOME AND COST**		
	a) Finance costs		
	Net foreign exchange losses	**(2,800,171)**	-
	b) Finance income		
	Interest income on call deposits	**64,425**	119,104
	Net exchange gains on cash and cash equivalents	**814,454**	362,994
		878,879	482,098
	Net finance costs	**(1,921,292)**	482,098
8	**OPERATING COSTS**		
	Employee benefit expenses (note 9)	**18,470,723**	19,105,543
	Cost of consumables	**2,993,584**	2,923,011
	Patients' subsidies and individual aid	**1,006,041**	1,192,422
	Clearing and forwarding costs	**69,914**	66,455
	Depreciation expenses (note 11)	**1,272,687**	1,306,355
	Amortisation expense (note 12)	**173,832**	71,406
	Training	**752,349**	741,724
	Consultancy	**912,120**	1,529,760
	Rent, premises and utility costs	**578,739**	636,889
	Repairs and maintenance	**881,920**	1,129,352
	Security charges	**347,957**	384,850
	Audit fee – current year	**272,773**	264,829
	– prior period	**-**	77,166
	Legal fee	**59,298**	165,300
	Communication and advertisement	**518,481**	433,019
	General and Administration expenses	**406,389**	857,442
	Transport and motor vehicles expenses	**407,098**	651,478
	Bad debts provision	**461,850**	740,107
	Bank charges	**83,573**	54,499
	Loss on disposal/ assets write-off	**78,722**	11,032
		29,748,050	32,342,639
9	**EMPLOYEES BENEFIT EXPENSES**		
	Salaries and wages	**14,258,997**	14,772,493
	Social security funds	**2,717,354**	2,871,031
	Other staff benefits	**1,494,372**	1,462,019
		18,470,723	19,105,543

10 INCOME TAX

	2017 TZS'000	2016 TZS'000
Current tax	-	-
Deferred tax	-	-
	-	-

(a) Reconciliation of rate of tax

	2017	2016
Loss before tax	**(4,811,401)**	(4,775,884)
Current tax on loss before tax at the statutory tax rate	**(1,443,420)**	(1,432,765)
Adjusted for:		
- Deductible expenditure not charged to P&L (i.e. 25% of charitable income)	**(1,957,969)**	(1,950,352)
- Profit on sale of non-qualifying assets	-	(1,132)
- Assets written through revaluation reserves	**(61,345)**	-
- Over provision in prior period of unrecognised deferred tax asset	-	81,539
- Unrecognised deferred tax assets	**3,462,734**	3,302,710
Income tax expenses	-	-

There is no tax charge arising for the year as the Society made a tax loss during the year and it has estimated income tax losses of TZS 33.7 billion (2016: TZS 25.9 billion). For charitable organisations, the Income Tax Act 2004 allows additional deduction which is equal to 25% of the Society's income for the year in addition to normal expenses which are allowable for tax purposes. This incentive therefore continues to position the Society in tax losses for the foreseeable future.

(b) Components of potential deferred tax assets

	2017 TZS '000	2016 TZS '000
Deferred tax liabilities	-	(179,860)
Property and equipment	-	(179,860)
Deferred tax assets	**11,827,204**	8,544,330
Property and equipment	**18,309**	-
Estimated income tax losses	**10,097,588**	7,764,796
General provisions	**1,711,307**	779,534
Net potential deferred assets	**11,827,204**	8,364,470

As at 31 December 2017 there is a potential deferred income tax assets of TZS 11,827 million (2016: TZS 8,364 million) arising mainly on account of the estimated income tax loss. This asset has not been recognised, as the Society has a charitable organisation status issued by Tanzania Revenue Authority and consequently it is certain that the Society will not generate sufficient taxable profits in the near future to allow the temporary differences to be utilised.

11 PROPERTY AND EQUIPMENT

	Buildings TZS'000	Motor vehicles TZS'000	Motorcycles & bicycles TZS'000	Equipment TZS'000	Computers TZS'000	Furniture & fittings TZS'000	Tools and machinery TZS'000	Capital work in-progress TZS'000	Total TZS'000
Year ended 31 December 2017									
Opening net book value	3,609,653	69,905	-	2,055,022	245,129	567,960	969,408	29,255,715	36,772,792
Transfers to Intangible assets (Note 12)	-	-	-	-	-	-	7,488	(209,179)	(201,691)
Additions	-	-	-	174,782	16,101	6,775	937,837	7,670,542	8,806,037
Disposals and write-offs									
Cost	(160,278)	-	-	(155,396)	(6,810)	(42,912)	-	-	(365,396)
Accumulated depreciation	41,885	-	-	114,120	6,810	37,578	-	-	200,393
Depreciation charge	(284,501)	(52,160)	-	(459,920)	(141,621)	(119,310)	(215,175)	-	(1,272,687)
Closing net book value	3,206,579	17,745	-	1,728,608	119,609	450,091	1,699,558	36,717,078	43,939,448
At 31 December 2017									
Valuation	3,868,774	-	-	-	-	-	-	-	3,868,774
Cost	390,029	1,314,219	18,132	4,908,112	1,116,637	1,012,574	2,053,325	36,717,078	47,530,106
Accumulated depreciation	(1,052,044)	(1,296,474)	(18,132)	(3,179,504)	(997,028)	(562,483)	(353,767)	-	(7,459,432)
Net book value	3,206,759	17,745	-	1,728,608	119,609	450,091	1,699,558	36,717,078	43,939,448

11 PROPERTY AND EQUIPMENT (CONTINUED)

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

11 PROPERTY AND EQUIPMENT (CONTINUED)

(i) The Society's buildings were revalued on 31 December 2013 by independent professional valuers, Proper Consult (T) Limited. Level 2 fair values for buildings were derived using an open market value basis. The revaluation surplus was credited to the revaluation reserve account. The most significant input into this valuation approach is the market rate per square metre. The three different fair value measurements are:

- Quoted prices (unadjusted) in active markets for identical assets and liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3)

(ii) In 1997, the members of CCBRT set up a Trusteeship – the registered Trustees of Comprehensive Community Based Rehabilitation in Tanzania – to be the legal holder to the land title deed on which the Society's hospital facilities have been constructed. The Trustees have granted the Society the rights over the use of the land under the registered plot number 1490/1 – Msasani, Dar es Salaam and plot number 145-H-VII – Kaloleni, Moshi for its charitable activities.

12 INTANGIBLE ASSETS

	2017 TZS'000	2016 TZS'000
At start of year	359,351	11,190
Addition during the year	5,264	419,567
Transfer from capital work in progress (note 11)	201,691	
Amortisation charge (note 8)	(173,832)	(71,406)
At end of year	392,474	359,351

13 INVENTORIES

Consumables	2,374,474	2,727,255

14 ACCOUNTS RECEIVABLE

Trade receivables	1,572,302	2,114,335
Less: provision for impairment losses	(67,345)	(236,134)
Trade receivables – net	1,504,957	1,878,201
Prepayments	457,721	946,837
Due from a related party (note 22)	2,430,517	2,319,015
Advances and imprest balances	261,985	45,549
Other receivables	488,180	462,669
Impairment provision for other receivables	(2,836,841)	(2,725,307)
	2,306,519	2,926,964

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

Currency	2017 TZS'000	2016 TZS'000
Tanzanian Shillings	1,880,301	1,397,012
Euros	30,253	45,535
United States Dollar	395,965	1,484,417
	2,306,519	2,926,964

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

At start of year	236,134	40,026
Charge to profit and loss (Note 8)	350,348	196,108
Write offs	(519,138)	-
At end of year	67,344	236,134

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

At start of year	2,725,307	2,181,308
Charge to profit and loss (Note 8)	111,502	543,999
At end of year	2,836,809	2,725,307

15 GRANTS RECEIVABLE

Year ended 31 December 2017

	Currency	Opening contract balance A "000"	New commitment in currency B "000"	Cash received in currency C "000"	Receivables in currency D=A+B-C "000"	TZS/ Currency E	Receivables in TZS F=D*E TZS'001	Current grants receivable G TZS'000	Non-current grants receivable H=F-G TZS'000
DANIDA	DKK	30,039	(39)	15,000	15,000	271	4,069,856	1,500,000	2,569,856
Vodafone Foundation-USAID	USD	1,894	(8)	-	1,886	2,230	4,205,664	2,482,084	1,723,580
Elma	USD	1,375	-	-	1,375	2,230	3,066,299	-	3,066,299
KfW	EUR	4,835	-	466	4,369	2,653	11,589,469	1,220,571	10,368,898
EHfK	EUR	2,154	-	-	2,154	2,653	5,715,074	-	5,715,074
CBM Germany	EUR	247	-	-	247	2,653	653,691	150,000	503,691
MIC Tanzania Limited	USD	50	-	50	-	2,230	-	-	-
HDIF/DFID	GBP	84	(2)	82	-	2,991	-	-	-
SDC 2	USD	190	-	-	190	2,230	423,707	423,707	-
Global Affairs Canada (GAC)	CAD	3,180	-	2,680	500	1,750	875,172	875,172	-
NIA Technologies	USD	17	(6)	11	-	2,230	-	-	-
UNFPA (2016)	TZS	23,054	-	-	23,054	1	23,054	23,054	-
CBM 3133	TZS	25,093	305,107	322,600	7,600	1	7,600	7,600	-
Subtotal carried forward (page 37)							**30,629,586**	**6,682,188**	**23,947,398**

15 GRANTS RECEIVABLE

Year ended 31 December 2017

	Currency	Opening contract balance A "000"	New commitment in currency B "000"	Cash received in currency C "000"	Receivables in currency D=A+B-C "000"	TZS/ Currency E	Receivables in TZS F=D*E TZS'001	Current grants receivable G TZS'000	Non-current grants receivable H=F-G TZS'000
Subtotal brought forward (page 36)							30,629,586	6,682,188	23,947,398
CBM 1941	EUR	-	1,335	1,335	-	271	-	-	-
CBM-SiB	USD	45	-	45	-	2,230	-	-	-
Kupona Foundation	USD	-	170	150	20	2,230	44,070	44,070	-
Vodafone Foundation	USD	-	500	150	350	2,230	782,194	537,001	245,193
Miracle feet	USD	-	31	20	11	2,230	25,110	25,110	-
USAID	USD	274	(274)	-	-	2,230	-	-	-
VICENZA	TZS	38,086	-	38,086	-	1	-	-	-
LFTW	EUR	3	791	203	591	2,653	1,579,325	346,930	1,232,395
FIGO	USD	3	(3)	-	-	2,230	-	-	-
J&J	TZS	-	2,850	-	2,850	1	2,850	2,850	-
Total grants receivable							**33,063,135**	**7,638,149**	**25,424,986**

15 GRANTS RECEIVABLE (CONTINUED)

Year ended 31 December 2016

	Currency	Opening contract balance A "000"	New commitment in currency B "000"	Cash received in currency C "000"	Receivables in currency D=A+B-C "000"	TZS/ Currency E	Receivables in TZS F=D*E TZS'001	Current grants receivable G TZS'000	Non-current grants receivable H=F-G TZS'000
Canadian International Development Agency (CIDA)	CAD	1,000	-	1,000	-	1,603	-	-	-
DANIDA	DKK	40,039	-	10,000	30,039	305	9,162,017	1,308,860	7,853,157
Vodafone Foundation – USAID	USD	4,369	-	2,475	1,894	2,173	4,115,162	4,115,162	-
Elma	USD	1,375	-	-	1,375	2,173	2,987,875	-	2,987,875
KfW	EUR	5,415	-	580	4,835	2,270	10,975,450	4,391,066	6,584,384
EHfK	EUR	2,154	-	-	2,154	2,270	4,889,580	-	4,889,580
CBM Germany	EUR	247	-	-	247	2,270	560,690	-	560,690
MIC Tanzania Limited	USD	100	-	50	50	2,173	108,650	108,650	-
HDIF/DFID	GBP	223	-	139	84	2,660	223,440	223,440	-
ICRC	USD	35	-	35	-	2,173	-	-	-
SDC2	USD	190	-	-	190	2,173	412,870	412,870	-
Global Affairs Canada (GAC)	CAD	3,180	-	-	3,180	1,603	5,097,540	4,076,530	1,021,010
NIA Technologies	USD	-	27	10	17	2,173	36,941	3,941	-
UNFPA(2016)	TZS	23,054	-	-	23,054	1	23,054	23,054	-
Fistula Foundation	USD	23	-	23	-	2,173	-	-	-
CBM 3133	TZS	-	696,523	671,430	25,093	1	25,093	25,093	-
Subtotal carried forward (page 39)							**38,618,362**	**14,721,666**	**23,896,696**

15 GRANTS RECEIVABLE (CONTINUED)

Year ended 31 December 2016

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

16 CASH AND CASH EQUIVALENTS

	2017 TZS'000	2016 TZS'000
Cash at bank	**13,550,937**	12,680,480
Cash in hand	**44,330**	44,435
	13,595,267	12,724,915

17 BORROWINGS

	2017 TZS'000	2016 TZS'000
Bank borrowings	**6,688,928**	2,258,701
Classified as:		
Non-current	**6,420,438**	2,258,701
Current	**268,490**	-

Bank borrowings comprises of a secured USD 3 million long term bank loan taken to finance the construction of the new CCBRT Private Clinic. The loan is secured by a legal mortgage over a portion of landed property described under Certificate of Title No. 47430, Plot No. 1409/1, Msasani Area in Kinondoni Municipality, Dar es Salaam. The property is in the name of the Registered Trustees of Comprehensive Community-Based Rehabilitation in Tanzania. The Trustees have granted the Society the right over the use of the land for its charitable activities.

The facility has a term of eight years with floating interest rate of six months LIBOR plus 4.5% with a floor of 5%. The loan was drawn down upon completion of construction monitored by architects according to the schedule agreed upon beforehand and the works in progress. The loan will be payable in equal instalments over loan term, after a two-years repayments grace period of which only interest is paid on a monthly basis.

As at 31 December 2017, USD 3 million (equivalent to TZS 6.7 billion) was drawn down as per agreement. The first principal payment is expected to start in May 2018. All interest incurred in 2017 on the borrowings together with its facility fees amounting to a total of USD 126,341 (equivalent to TZS 282 million) was paid and capitalised as an asset and were included in work in progress at year end.

18 CAPITAL GRANT

	2017 TZS'000	2016 TZS'000
At start of year	**30,954,419**	28,472,920
Additions	**4,721,287**	3,668,074
Amortisation charge (Note 6)	**(1,161,239)**	(1,186,575)
At end of year	**34,514,467**	30,954,419

19 DEFERRED INCOME GRANTS

Year ended 31 December 2017

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

19 DEFERRED INCOME GRANTS (CONTINUED)

Year ended 31 December 2017 (continued)

	Currency	Opening commitment in currency	New commitment in currency	Capital expenditure in currency	Operating expenditure in currency	Reserve / (refund) in currency	Deferred income grant in currency	TZS/ Currency	Deferred income grants in TZS
		A	B	C	D	E	F=A+B-C-D +/- E	G	H = F*G
		"000"	"000"	"000"	"000"	"000"			
Subtotal brought forward (page 41)									**34,746,835**
Global Affairs Canada (GAC)	CAD	3,943	-	31	1,162	-	2,750	1,767	4,859,615
GRM – HDIF	GBP	41	(8)	21	63	(51)	-	2,991	-
Wonderwork	USD	-	85	2	79	-	4	2,230	8,657
CBM Switzerland	USD	40	-	-	-	-	40	2,230	88,386
SFD – ICRC	USD	6	86	-	88	-	4	2,230	10,433
VICENZA	TZS	33,497	-	-	30,165	-	3,332	1	3,332
J&J Kupona-Training centre	USD	80	-	-	13	-	67	2,230	149,522
J&J Kupona-Mabinti Centre	USD	30	70	3	66	0	31	2,230	68,581
J&J Kupona-Fistula	USD	61	-	-	59	-	2	2,230	4,104
CBM Canada – Italy	TZS	3	687,678	490	687,191	-	-	1	-
DANIDA	DKK	30,076	-	-	10,322	(46)	24,708	358	8,834,368
Subtotal carried forward (page 43)									**48,773,833**

19 DEFERRED INCOME GRANTS (CONTINUED)

Year ended 31 December 2017 (continued)

	Currency	Opening commitment in currency	New commitment in currency	Capital expenditure in currency	Operating expenditure in currency	Reserve / (refund) in currency	Deferred income grant in currency	TZS/ Currency	Deferred income grants in TZS
		A	B	C	D	E	F=A+B-C-D +/- E	G	H = F*G
		"000"	"000"	"000"	"000"	"000"			
Subtotal brought forward (page 42)									**48,773,833**
Providing Comprehensive Treatment to women with fistula in Tanzania	USD	-	540	-	323	-	217	2,230	484,270
FF – Salary Support 2016	USD	-	205	-	202	-	3	2,230	5,825
LaVelle	USD	-	2	-	2	-	-	2,230	-
LaVelle Phase 2	USD	-	289	189	27	-	73	2,230	162,045
CBM ReH	USD	-	4	-	4	-	-	2,230	-
LFTW Donations	EUR	-	86	-	87	(1)	-	2,653	-
WATSI	USD	-	4	-	-	-	4	2,230	8,576
Wheelchair Support	TZS	-	29,340	-	-	-	29,340	1	29,340
Smile Donor Bench	USD	-	2	-	1.9	-	0.1	2,230	249
Interteam	TZS	-	12,800	-	12,000	-	800	1	800
CEFA	EUR	-	60	-	51	-	9	2,653	24,390
J&J Fistula (2017)	USD	-	72	-	37	-	35	2,230	77,501
Rotary	USD	-	300	300	-	-	-	2,230	-
CCBRT Donation	TZS	-	59,514	2,330	51,192	-	5,993	1	5,993
Subtotal carried forward (page 44)									**49,572,822**

19 DEFERRED INCOME GRANTS (CONTINUED)

Year ended 31 December 2017 (continued)

	Currency	Opening commitment in currency	New commitment in currency	Capital expenditure in currency	Operating expenditure in currency	Reserve / (refund) in currency	Deferred income grant in currency	TZS/ Currency	Deferred income grants in TZS
		A	B	C	D	E	F=A+B-C-D +/- E	G	H = F*G
		"000"	"000"	"000"	"000"	"000"			
Subtotal brought forward (page 43)									**49,572,822**
Vodafone Foundation	USD	-	500	-	-	-	500	2,230	1,114,895
Irish Aid	EUR	-	500	-	500	-	-	2,653	-
Capda WRA	USD	-	3	-	3	-	0	2,230	87
Vodacom Tanzania	TZS	-	100,000	-	100,000	-	-	1	-
Miracle feet	USD	-	31	-	3	-	28	2,230	62,897
Capda	USD	-	7	-	7	-	-	2,230	-
Smile Train – Transport	USD	-	5	-	4.9	-	0.1	2,230	188
Smile Train – Training & capacity building	USD	11	-	-	2	-	9	2,230	20,974
Smile Train – Cleft Awareness raising	USD	-	6	-	5	-	1	2,230	1,773
Smile Train – DH	USD	34	120	-	120	-	34	2,230	75,236
Smile Train – Anaesthesia Training	USD	-	2	-	1.9	-	0.1	2,230	177
FK Norway	EUR	3	-	-	-	-	3	2,653	8,395
FK Norway	USD	5	(5)	-	-	-	-	2,230	-
Government of Tanzania	TZS	35,043	(35,043)	-	-	-	-	1	-
Grand Total									**50,857,444**
Current Deferred Income Grant									**21,304,231**
Non-Current Deferred Income Grant									**29,553,213**

19 DEFERRED INCOME GRANTS

Year ended 31 December 2016

	Currency	Opening commitment in currency	New commitment in currency	Capital expenditure in currency	Operating expenditure in currency	Reserve / (refund) in currency	Deferred income grant in currency	TZS/ Currency	Deferred income grants in TZS
		A	B	C	D	E	F=A+B-C-D +/- E	G	H = F*G
		"000"	"000"	"000"	"000"	"000"			
CIDA	CAD	959	-	69	890	-	-	-	-
Vodafone Foundation-USAID	USD	5,637	-	330	1,707	-	3,600	2,173	7,822,800
Elma	USD	1,369	-	-	-	-	1,369	2,173	2,974,837
TIGO	USD	96	-	-	54	-	42	2,173	91,266
KfW	EUR	7,210	-	598	-	-	6,612	2,270	15,009,240
EHfK	EUR	2,285	-	81	-	-	2,204	2,270	5,003,080
CBM Germany	EUR	578	-	12	30	-	536	2,270	1,216,720
500 Miles	USD	-	10	-	9	-	1	2,173	2,173
USAID Child Eye Health	USD	-	304	-	30	-	274	2,173	595,402
CBM 1941	EUR	-	1,034	37	621	-	376	2,270	853,520
Porticus	EUR	-	121	-	68	-	53	2,270	120,310
LftW – B DGD	EUR	165	44	22	186	-	1	2,270	2,270
LftW – General	EUR	-	26	-	26	-	-	-	-
CBM 3133	TZS	17,413	696,523	-	655,092	-	58,844	1	58,844
NIA Technologies	USD	-	27	-	6	-	21	2,173	46,176
SDC 2	USD	1,050	-	178	197	-	675	2,173	1,466,775
Kupona Fundraising	USD	-	91	42	33	-	16	2,173	34,768
Kupona Family Planning	USD	-	-	-	21	52	31	2,173	67,363
Subtotal carried forward (page 46)									**35,365,544**

19 DEFERRED INCOME GRANTS (CONTINUED)

Year ended 31 December 2016 (continued)

	Currency	Opening commitment in currency	New commitment in currency	Capital expenditure in currency	Operating expenditure in currency	Reserve / (refund) in currency	Deferred income grant in currency	TZS/ Currency	Deferred income grants in TZS
		A	B	C	D	E	F=A+B-C-D +/- E	G	H = F*G
		"000"	"000"	"000"	"000"	"000"			
Subtotal brought forward (page 45)									**35,365,544**
Global Affairs Canada (GAC)	CAD	6,247	-	81	2,223	-	3,943	1,603	6,320,629
GRM – HDIF	GBP	273	-	-	232	-	41	2,660	109,060
CBM Aus – MNHC	EUR	7	-	-	7	-	-	-	-
Wonderwork	USD	-	40	-	63	23	-	-	-
Direct Relief	USD	12	-	5	-	7	-	-	-
CBM Switzerland	USD	54	-	14	-	-	40	2,173	86,920
SFD – ICRC	USD	39	46	18	67	6	6	2,173	13,038
VICENZA	TZS	66,053	-	-	32,556	-	33,497	1	33,497
J&J Kupona-Training centre	USD	-	84	-	4	-	80	2,173	173,840
J&J Kupona-Mabinti Centre	USD	17	31	-	18	-	30	2,173	65,190
J&J Kupona-Fistula	USD	90	61	-	60	30	61	2,173	132,553
CBM Canada – Italy	TZS	1,205	715,126	2,606	713,722	-	3	1	3
DANIDA	DKK	39,767	-	10	4,681	-	35,076	305	10,698,317
Subtotal carried forward (page 47)									**52,998,591**

19 DEFERRED INCOME GRANTS (CONTINUED)

Year ended 31 December 2016 (continued)

	Currency	Opening commitment in currency	New commitment in currency	Capital expenditure in currency	Operating expenditure in currency	Reserve / (refund) in currency	Deferred income grant in currency	TZS/ Currency	Deferred income grants in TZS
		A	B	C	D	E	F=A+B-C-D +/- E	G	H = F*G
		"000"	"000"	"000"	"000"	"000"			
Subtotal brought forward (page 46)									**52,998,591**
SiB	EUR	-	45	-	45	-	-	-	-
Irish Aid	EUR	-	1,000	48	952	-	-	-	-
IFHSB	EUR	1	5	-	-	(6)	-	-	-
Fistula Foundation 2013 – 2016	USD	23	240	14	226	23	-	-	-
Capda Beach 2	USD	7	-	-	7	-	-	-	-
Capda	USD	2	-	-	2	-	-	-	-
Smile Train – Transport	USD	-	5	-	5	-	-	-	-
Smile Train – Training & capacity building	USD	-	18	-	7	-	11	2,173	23,836
Smile Train – Cleft Awareness raising	USD	-	3	-	3	-	-	-	-
Smile Train – DH	USD	7	171	-	142	2	34	2,173	73,120
FK Norway	EUR	3	-	-	-	-	3	2,270	6,810
FK Norway	USD	-	42	-	37	-	5	2,173	10,865
Government of Tanzania	TZS	47,083	35,043	-	-	47,083	35,043	1	35,043
Grand Total									**53,148,265**
Current Deferred Income Grant									**13,990,367**
Non-Current Deferred Income Grant									**39,157,898**

NOTES (CONTINUED)

20 TRADE AND OTHER PAYABLES

	2017 TZS'000	2016 TZS'000
Trade payables	**2,080,209**	1,669,304
Accruals	**264,836**	264,829
Statutory liabilities	**523,872**	755,774
Advance payments-costs sharing from patients	**234,730**	418,236
	3,103,647	3,108,143

21 CAPITAL COMMITMENTS

Capital expenditure contracted for at the end of the reporting period but not yet incurred is TZS 28.9 billion (2016: TZS 34,5 billion). The capital commitment relates to the construction of Maternity and Newborn Hospital and the Private Clinic.

22 RELATED PARTY TRANSACTION AND BALANCES

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

	2017 TZS'000	2016 TZS'000
(a) Funds received during the year		
Fundraising partner (Kupona Foundation)	3,167,093	1,296,526
(b) Purchase of services		
Advance on operating costs-Fundraising partner (Kupona Foundation)	111,502	543,999
Right over land use (CCBRT Trust)	585	585
(c)Due from a related party (Note 14)		
Fundraising partner (Kupona Foundation)	2,430,517	2,319,015

(d) Key management remuneration

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

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

Short term employee benefits

	2017 TZS'000	2016 TZS'000
Salaries	**2,521,923**	2,037,744
Other short term benefits	**1,551,258**	1,262,473
	4,073,181	3,300,217

24 ULTIMATE HOLDING ENTITY

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