COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

ORGANISATIONAL 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. On 2nd August 2023, CCBRT was issued a certificate of registration number 00NG/R1/00221, under terms and conditions of NGO Act, 2002.

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

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

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

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 (Up to 2024)
IMMMA House, Plot No. 357
United Nations 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

GOVERNING BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

INTRODUCTION

The Board of Directors of CCBRT has the pleasure of submitting the Annual Report and Financial Statements for the year ended 31 December 2025, which disclose CCBRT's state of affairs for the year ended 31 December 2025.

1. ESTABLISHMENT

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

2. VISION

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

3. MISSION

To sustainably serve the community, including the most vulnerable, with quality accessible specialised healthcare services and development programmes.

4. CORE VALUES

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

(i) We are client centered.
(ii) We embrace diversity.
(iii) We are continuously learning.
(iv) We work together as a team.
(v) We are trustworthy and act with integrity.

5. PRINCIPAL ACTIVITIES

Since its establishment, CCBRT has 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, leading in cleft lip/palate and clubfoot treatments. In 2025, CCBRT provided clinical and rehabilitation services at two facilities: its hospital in Dar es Salaam and its rehabilitation centre in Moshi.

CCBRT integrates disability health and maternal and newborn healthcare through primary, secondary, and tertiary prevention. To help prevent and facilitate early identification of disability, improve maternal and new-born healthcare, and thereby reduce maternal and neonatal mortality, the CCBRT's purpose-built maternity wing was opened in 2022, in close partnership with the Government of Tanzania's Dar es Salaam Regional Health Management Team.

Training and capacity building are essential to CCBRT's work and are being strengthened through the 'CCBRT Academy', which provides training and education opportunities for CCBRT staff and human resources for health, management, and related fields across Tanzania and beyond. The Academy is expected to transform into a Medical Training College in 2026. Training and support in livelihood activities for clients are provided through the CCBRT Moshi House of Hope Rehabilitation Centre and the Mabinti Centre in Dar es Salaam, which offers training courses and employment for women who received treatment for fistula at CCBRT.

With a strong community presence 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 implementing and upholding the United Nations Convention on the Rights of Persons with Disabilities and within the wider global development context - the Sustainable Development Goals - as a specialised healthcare provider.

5. 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-subsidies free and subsidised care. CCBRT is in the process of expanding its private services to improve the organisation's financial health and ensure the continuation of free and subsidised care.

6. STRATEGIC OBJECTIVES OF CCBRT

CCBRT has five strategic objectives as follows: -

- Valued and engaged staff
- Excellent client outcome
- Excellent client experience
- Learning and innovation
- Financial sustainability

7. STATEMENT OF SERVICE PERFORMANCE INFORMATION

Hospital services 2025 performance

Department	2025	Target	% to target	Narratives
OPD SERVICES				
Obstetrics and gynaecology	16,261	12,374	131%	Natural growth in numbers.
Surgical specialities	13,012	20,527	63%	Cessation of epidental firm in Q 2, lowered dental numbers and overall performance.
Eye services	85,418	86,139	99%	Almost as per the projected numbers.
Orthopaedics	16,382	23,490	70%	Still getting donor shrinkage effects.
Rehabilitation	23,428	16,494	142%	Re-initiation of Private physiotherapy increased the numbers.
Pharmacy Services	2,388,219	2,595,890	92%	Not as per targets because of increased stock-outs.
Laboratory services	88,289	93,477	94%	Not as per targets because of increased stock-outs.
Imaging	20,313	17,614	115%	Increase in Obstetrics numbers mean more ultrasounds and more imaging.
Paediatrics	11,876	6,657	178%	Increase in Obstetrics deliveries mean more neonates and more numbers.
Optical	32,659	37,183	88%	Cessation of Premium insurances in Kibo.
Internal Medicine	13,570	15,334	88%	Numbers did not turn out as projected.
				THEATER SERVICES
Obstetrics and gynaecology	2088	2,308	90%	Low numbers of donor supported patients.
Surgical specialities	2020	1,942	104%	Almost as per projections.
Eye services	6,463	5,562	116%	A bit higher than projected.
Orthopaedics	715	1,576	45%	There is still not much donor support for children needing congenital deformity surgeries.
				DELIVERIES
Obstetrics and gynaecology	1522	2,416	63%	Low number of donors supported deliveries.
IN- PATIENT SERVICES				
All departments	18276	23,431	78%	Low number of Orthopaedics means low number of admissions.

Key:

Green	100+% and above	Satisfactory
Amber	80-99%	Average Performance
Red	<80%	Unsatisfactory performance

7. STATEMENT OF SERVICE OF PERFORMANCE INFORMATION (CONTINUED)

Trend in Hospital services

Department	2022	2023	2024	2025	Narratives
OPD Clinical numbers					
Obstetrics and gynaecology	4,841	10,819	12,369	16,261	Natural growth in numbers, Services are still new to CCBRT
Plastics & Reconstruction	385	584	867	727	Mainly dependent on donor support, visiting consultant drop out impacted the growth in 2025
General Surgery	16,785	18,070	17,990	12,285	The new NHIF price list led to a decrease in visiting surgeons, coupled with the closure of the Epidental consulting firm; hence low numbers in two years
Eye services	88,630	91,377	76,508	85,418	Change of NHIF price list in 2024 and cessation of NHIF Toto Afya cards led to low number of paediatric patients in 2024, 2025 strategy to recover improved numbers
Orthopeadics	21,505	21,800	20,517	16,382	Change of NHIF price list in 2024, cessation of NHIF Toto Afya cards and donor funds shrinkage led to low number of adults and paediatric patients in 2024 and 2025
Rehabilitation	21,300	23,809	14,869	23,428	Change of NHIF price list in 2024 and cessation of NHIF Toto Afya cards led to low number of paediatric patients in 2024, 2025 strategy to recover improved numbers
Peadiatrics	5,261	7,794	6,943	11,876	Change of NHIF price list in 2024 and cessation of NHIF Toto Afya cards led to low number of paediatric patients in 2024, 2025 growth in Obstetric numbers led to increase in paediatrics numbers too.
Internal Medicine	6,116	7,212	12,372	13,570	Natural growth in numbers show consistent growth
OPD Clinical support Numbers					
Pharmacy Services	1,812,000	1,943,379	2,256,842	2,388,219	More growth in obstetrics and gynaecology, Paediatrics and Internal medicine led to increase in drug consumption
Laboratory services	60,766	89,248	87,008	88,289	Opening of MW services contributing to increase in numbers, in 2024 NHIF price changes had a negative impact.
Imaging	15,605	17,160	17,321	20,313	More growth in obstetrics and gynaecology has led to consistent increase in imaging numbers
Optical	26,245	27,888	40,395	32,659	Cessation of Premium insurances at Kibo shop, impacted the numbers in 2025
Operating Theatre Department					
Obstetrics and gynaecology	688	1,044	1,664	2,088	Consistent growth of Obstetrics and Gynaecology surgeries along with OPD numbers
General Surgery (+Visiting surgeons)	567	958	1,289	2,020	Natural growth due to increase in surgical specialities
Eye services	7,957	8,429	8,102	6,463	Changes of definition for some services and closure of eye theatre in 2025 impacted the final numbers
Orthopaedics	3,153	1,641	1,264	715	Long term dependence on donor supported services, NHIF price list changes and Cessation of NHIF Toto Afya card has progressively affected the numbers negatively
DELIVERIES					
Obstetrics and gynaecology	327	892	1,203	1,522	Progressive increase in women delivering at CCBRT
IN-PATIENT SERVICES					
All departments	15,778	24,233	24,188	18,276	Low numbers in Orthopaedics affects the number of patients admitted for surgeries.

Key:

(green)	Growing
(orange)	Static / No growth

7. STATEMENT OF SERVICE OF PERFORMANCE INFORMATION (CONTINUED)

Development Programmes and Projects

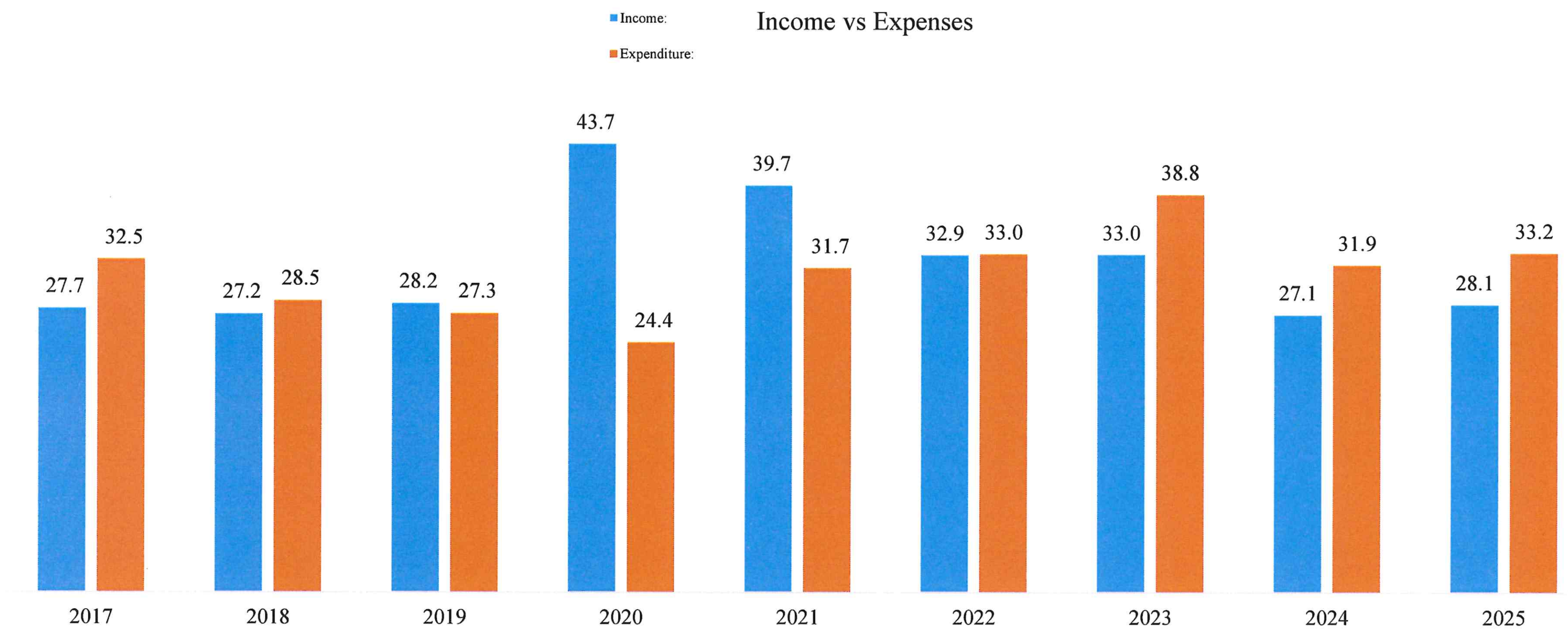
ADVOCACY & DISABILITY INCLUSION (ADI)			
	Target YTD	Actual YTD	Performance Evaluation/ Remarks
New client/partner engagement (presentations/visits)	4	200	5,000%
Consultancy contracts signed	4	1	25%
Participate in advocacy and lobby meetings/events with Government and other stakeholders	4	1	25%
Individuals Empowered by Disability Inclusion	380	121	32%
Parental Carer Training (PCT) and Week of Intensive Training (WIT) consultations	640	877	We conducted additional three weeks beyond our initial plan due to requests from our partners and the commitment of parents to keep their clinic appointments without missing.
Internal Clean Intermittent Catheterization (CIC)	100	90	Depend on donor funding.
Ponseti Clinic Consultations	384	255	We have managed to meet with parents who had missed appointments. As a result, some parents are attending their appointments.
Outpatient Clinic Consultations			
Local-made assistive device production/refurbishment	50	42	This was due to limited funding allocated to manufacture of locally made assistive devices.
Holistic disability-inclusive support through home visits, group discussions at community support units, and phone follow-up	6,480	4,821	The primary reason parents stopped coming to the clinic is still the lack of funds for transportation.
Wheelchair service provision (new)	500	582	The team performed exceptionally well in this area because of the support from partners who helped mobilize clients and bring them to a central location. This significantly reduced travel time and allowed us to reach more people than initially planned.
Wheelchair follow-up services	370	535	This is because of the support from partners who helped mobilize clients and bring them to a central location.
Private Poly Clinic consultations			This clinic has not yet started due to the organization's financial challenge.
Basic Training (16 weeks)	12	46	This is because of the partner supports.
Other women empowerment			
Production (# items produced)	14,840	9,272	More small, valued products.
Sales (value of sales)	418,100,000	279,321,013	This is due to the cancelled end year trade fairs and low shop sales during November 2025 and December 2025.

7. STATEMENT OF SERVICE OF PERFORMANCE INFORMATION (CONTINUED)

Development Programmes and Projects (Continued)

ACADEMY – TRAINING	Target YTD	Actual YTD	Performance Evaluation
Training modules (non-repetitive).	74	50	Under target by 32% this is due to the training coordinator transitioned and some courses were not conducted.
Enhancing health workers' capacity training (in seats)	1,150	1,940	Consistent symposium is conducted weekly attended by CCBRT staff as well as standard internal trainings.
Enhancing Community Health & Inclusion Development	660	251	Training was postponed due to the political climate.
Enhancing Internal staff training (in seats)	490	1,779	Weekly symposiums are well attended.

8. FINANCIAL PERFORMANCE

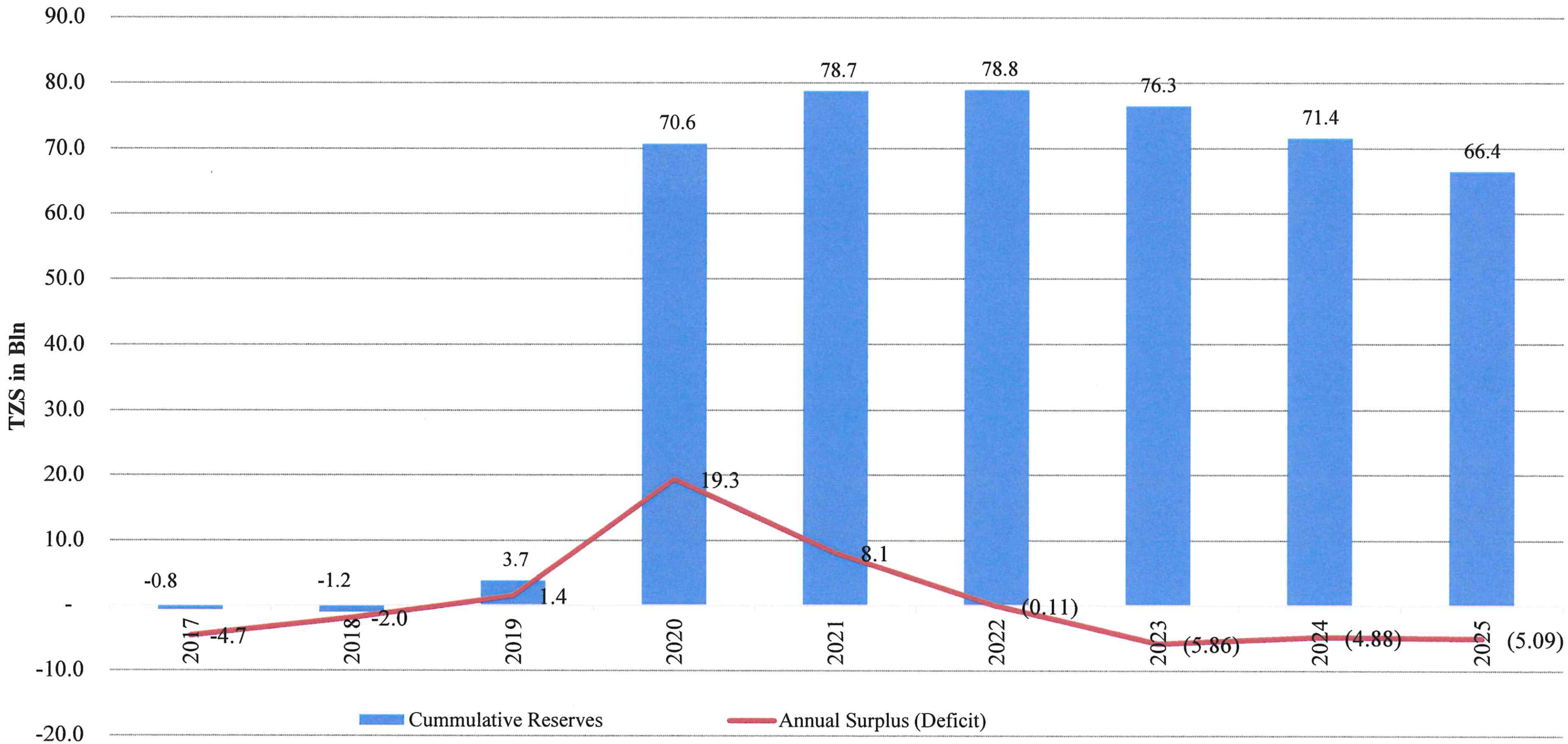


Amounts in TZS billions.

Note: Income and expenses, as reported in 2025, were TZS 28.1 billion and TZS 33.2 billion, respectively.

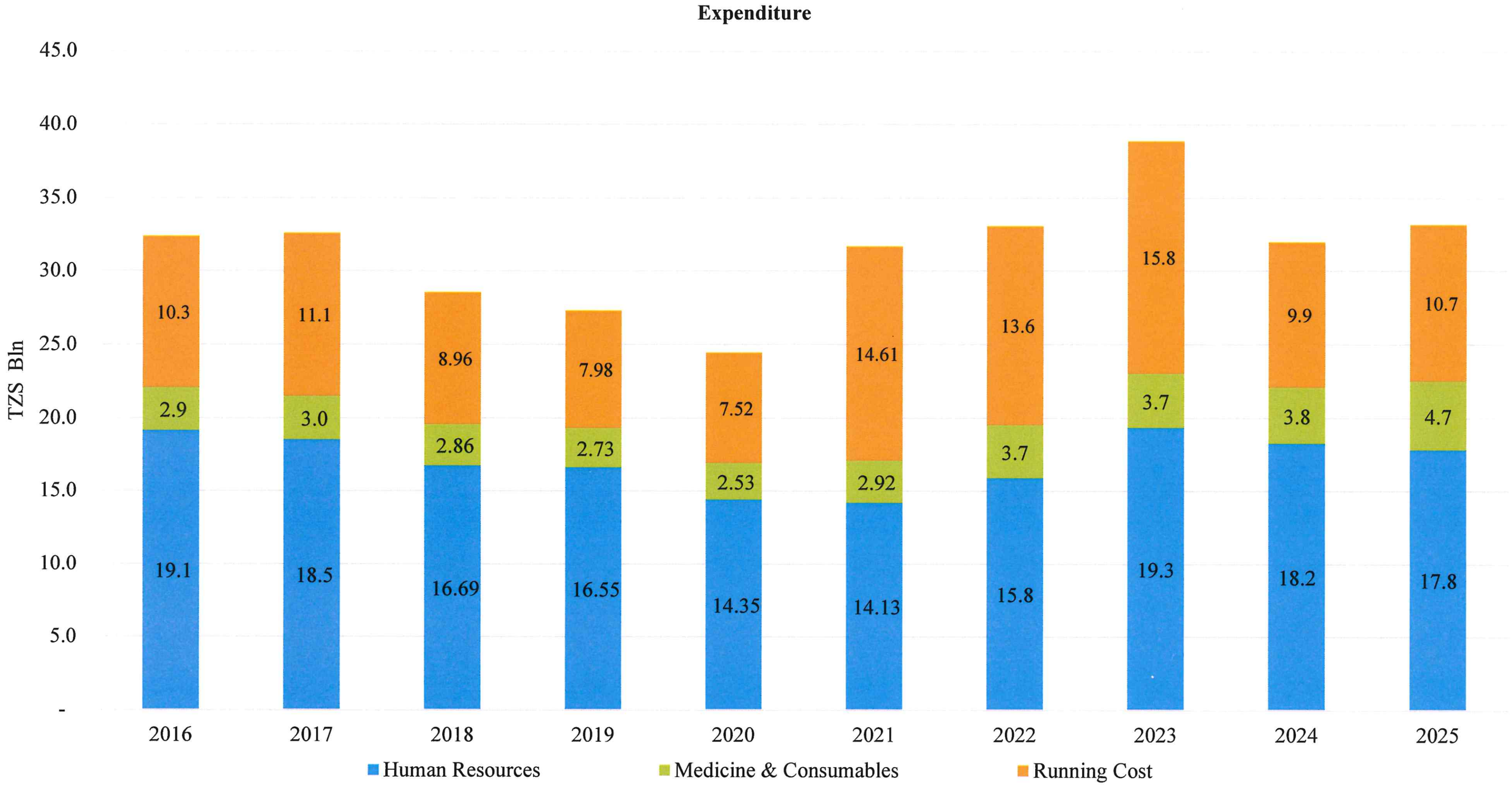
8. FINANCIAL PERFORMANCE (CONTINUED)

Retained Earnings and revaluation reserves



Note: The cumulative reserves and annual deficit for 2025 were TZS 66.4 billion and TZS 5.09 billion respectively.

8. FINANCIAL PERFORMANCE (CONTINUED)



8. FINANCIAL PERFORMANCE (CONTINUED)

Revenue increased by 3% in 2025 to TZS 26,477 million (2024: TZS 25,598 million).

The increase in revenue has been primarily attributed to natural growth in obstetrics and gynaecology numbers, satellite optical shops, increased numbers for surgical specialties, and a high number of imaging services due to an increase in women attending for delivery during 2025.

Accumulated surplus account reflects the deficit of TZS 5,090 million (2024: TZS 4,881 million for the year 2024). The main reason for this loss is the failure of partner revenue to materialize as expected. This revenue was intended to support further operationalization.

9. FINANCIAL POSITION

Total assets decreased by 4% to TZS 81,986 million in 2025, compared to TZS 85,280 million in 2024. The main reason for these decreases is the experiencing business operation losses for three consecutive years.

Accumulated surplus account was impacted by a deficit of TZS 5,090 million in 2025, whereas a deficit of TZS 4,881 million was reflected in the account in 2024.

10. CASH FLOWS

The organization's cash flow statement shows that as of 31 December 2025, the closing balance of cash and cash equivalents was TZS 1,079,351,000. This represents a decrease compared to the closing balance of TZS 2,729,915,000 in 2024. The primary reason for these decreases is the reduced cash generated from operating activities as a result of low patient turnout, which rendered some revenue unrealized.

11. KEY PERFORMANCE INDICATORS

In 2023, CCBRT adopted the 2023-2027 strategy, which came with an updated set of strategic indicators for the respective strategic priority areas:

VALUED & ENGAGED STAFF IN 2025			
Indicator	**Description**	**Annual Target**	**Actual YTD**
Employee Net Promoter Score (eNPS)	*Measure employee loyalty by measuring how willing employees are to recommend their workplace to their family or friends.*	>10%	**4.35%**
Performance Score	*Total number of staff whose performance is formally measured as per plan.*	>75%	**90%**
Succession Plan	*The percentage of staff (tier 1 and tier 2) provided with internal promotions.*	>60%	**N/A-**

**NM=not measured; to be measured from 2026*

EXCELLENT CLIENT OUTCOME IN 2025			
Indicator	**Description**	**Annual Target**	**Actual YTD**
Daily Averted Life Years (DALYs) score	*Number of Disability Adjusted Life Years (DALYs) averted for clients treated at CCBRT; annually collected*	>30,000	**23,431**
Safe Care accreditation	*SafeCare is an independent stepwise certification to improve quality with standardised accreditation: Level 1 - low, Level 5 – high.*	3	**4**
Hospital IPC Score	*Total score on Infection Prevention and Control using internal and external IPC quality assessment tools*	>75%	**88%**
Maternal Mortality Rate	*The number of female deaths from any cause related to or aggravated by pregnancy or its management during pregnancy and childbirth or within 42 days of termination of pregnancy.*	<23/1,000	**0/1,524**
Neonatal Mortality Rate	*Total number of deaths in the 1st 28 days of life.*	<20/1,000	**9/1,535**

**NM=not measured; to be measured from 2026*

11. KEY PERFORMANCE INDICATORS (CONTINUED)

EXCELLENT CLIENT EXPERIENCE IN 2025			
Indicator	**Description**	**Annual Target**	**Actual YTD**
Negative Client Feedback	*Percentage of the negative feedback of the overall feedback received through various feedback channels*	<20%	**12%**
OPD turnaround time	*The total service delivery time per patient including waiting time, measuring the difference in scores of the current period against the previous period*	2.5 hours	**2 hours**

**NM=not measured; to be measured from 2026*

LEARNING, INNOVATION & RESEARCH IN 2025			
Indicator	**Description**	**Annual Target**	**Actual YTD**
Number of improvement ideas generated	*Total number of suggested ideas from staff (employees & health volunteers) generated; measured per quarter*	500	**96**
Number of Publications in peer reviewed international journals	*Number of Publications in peer reviewed international journals*	12	**10**
Percentage of CCBRT employees trained by the CCBRT Academy	*The percentage of training seats occupied by employees out of the total*	72%	**91%**

**NM=not measured; to be measured from 2026*

FINANCIAL SUSTAINABILITY IN 2025			
		2025	**2025**
Indicator	**Description**	**Annual Target**	**Actual YTD**
% revenue increase (Patient revenue)	*Income generated in the current period minus income generated in the previous period*	20%	**18%**
% revenue increase (Partner revenue)	*Income generated in the current period minus income generated in the previous period*	69%	**28%**
Net Profit Margin (EAITD)	*% Earnings after interest, tax and depreciation/ Operating expense*	1%	**(28%)**
Acidic Test	*Current assets- (Inventory +Prepayments / Current liabilities (this excludes inventories)*	1.5	**0.1**
Donor Dependency	*Donor Revenue (Partners, CSI, GoT) / Total Revenue*	40%	**20%**
Average Collections Period Trade Receivables	*Accounts Receivable / Annual Credit Sales X 365days*	60 days	**40 days**
Aging Trade Payables over 180 days	*Percentage of outstanding debts older than 180 days*	0%	***50%**
Aging Trade Receivables over 90 days	*Percentage of outstanding payments older than 90 days*	0%	**1%**
Insurance rejections	*Percentage of rejections identified in the invoices received from all insurances in the respective quarter*	0%	****8%**

**NM=not measured; to be measured from 2026*

* This includes old balances from NHIF TZS 3,069bn which is fully provided for impairment in 2024.

** This rejected rate of 8% was recorded in December 2025, it has been improved subsequently to 2.2% in Q1 2026.

12. EMPLOYEE WELFARE

CCBRT had 459 staff at the end of 2025, of which 403 were full-time employees and 56 were health volunteers. 72% work in the hospital, 17% in the Development Programmes & Projects and 11% in the Support Services.

CCBRT Job Cadres in 2023	Budget 2025 (A)	Actual 2025 (B)	Vacancies (B-A)
Executive management	6	4	(2)
Doctors & specialists	52	56	4
Nurses & medical attendants	126	122	(4)
Paramedical/Clinical staff	73	53	(20)
Other support staff	171	168	(3)
Total employees	**428**	**403**	**(25)**
Health volunteer – clinical	129	55	(74)
Health volunteer – non-clinical	5	1	(4)
Total staff	**562**	**459**	**(103)**

CCBRT promotes diversity and inclusion and aims to retain, attract, and recruit staff who share its values and reflect the diverse community it serves; 55% of CCBRT's staff are female, and 6% of employees have disabilities.

CCBRT has a female CEO, and 60% of the executive management is female. In total, 21 manager positions (49%) across the organisation are female led. At the end of 2025, 60% of CCBRT's active governing board directors are women.

As a 'learning organisation', CCBRT continued in 2025 to promote on-the-job learning and formal skills advancement. In total, 7 employees went for formal long-term training outside of CCBRT. Most training for employees took place through the CCBRT Academy, where 98% (1,940) of the training seats were occupied by CCBRT staff receiving technical training. The CCBRT Academy offered various trainings and received formal accreditation from the Medical Council of Tanganyika. It is essential for employees needing CPD (Continuous Professional Development) points to retain their license to practise.

Funeral Insurance is a mandatory benefit for CCBRT staff. The aim of the CCBRT group funeral insurance is to provide a contribution towards funeral costs upon bereavement. CCBRT pays the full annual premium for staff members. 96% of staff is covered through this insurance. Staff members who voluntarily decline such insurance are requested to sign a declaration to avoid disappointment for relatives.

With funding challenges, CCBRT has not been able to invest in cross-organisational remuneration changes in 2025 as planned. Where possible, output-related pay has been adopted. To support 24-hour operations in a shift system, CCBRT adopted a locum payment system.

Furthermore, CCBRT has been seeking low-cost opportunities to engage staff regularly 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, no various staff events were organised in 2025 even year-end staff party this is due to the funding challenges.

In 2025, CCBRT Academy strengthened healthcare capacity through training, accreditation, and community engagement initiatives. The Academy offered 50 courses of which 16 received accreditation, and trained 1,940 healthcare workers, including 15 specialists through surgical training programs and 4 fellowship programmes including Fistula Surgical fellowships, Oculoplastic, Contact Lenses and Low Vision Assessment. The Academy was also successfully accredited as an ECSACOG (East, Central and Southern Africa College of Obstetrics and Gynaecology) training site and subsequently enrolled two students.

12. EMPLOYEE WELFARE (CONTINUED)

Health and Safety

The Organisation ensures that a strong culture of safety prevails at all times. Adequate and proper personal protective equipment, training, and supervision provide a safe working environment for all employees.
Following the 2023-2027 strategy, CCBRT scored Level 4 in the SafeCare Audit, which is a significant accomplishment from the Level 2 status.

The Organisation also adheres to the regulations set by the Occupational Health and Safety Authority of Tanzania (OSHA). In 2025, CCBRT continued to provide hand sanitization facilities for staff and visitors.

In 2025, a SafeCare audit was not yet conducted at CCBRT in support of improving quality and safety, but the plan is there.

Employees benefit plan

CCBRT pays monthly contributions to:

- The National Social Security Fund (NSSF) as required by law;
- To National Health Insurance Fund (NHIF); and
- Workers' compensation fund (WCF).

13. PERSON WITH DISABILITIES

CCBRT promotes disability inclusion in line with the Disability Act 2010 across the organisation, and 6% 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 proactively 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 and inclusion policy, the 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 those in the reception areas, wards, and human resources.

If a staff member becomes impaired or disabled, efforts are made to ensure that employment with the Organisation continues, and appropriate arrangements are made.

14. POLITICAL AND CHARITABLE DONATIONS

The organisation made no political donations during the year (2024: Nil).

15. RESERVES

Accumulated surplus

The accumulated surplus is the result of annual surplus over the years. The purpose of the accumulated surplus is to support or to reinvest in the business operations in cases of either a shortage of funding or any expansion of business activities. Governing Board Members do not share any income and are not entitled to receive any benefits from the Organisation's resources.

Revaluation reserve

In 2019, the Organisation's buildings were revalued, with a measurement of Level 3. All other classes of assets (property and equipment) were carried out using the cost model as per Note 12 in the financial statements. The revaluation reserve generated is not available for distribution and subject to reassessment once the building expansions and roof replacements are concluded in 2026.

16. FUTURE DEVELOPMENTS

CCBRT has started implementing the new Strategic Plan 2023-2027, under which the focus will remain 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 services to keep our niche as the preferred provider of specific services. Horizontal growth, offering new services that we did not provide before that are mandatory for the hospital, e.g., critical care services, paediatrics, surgeries, and urology. Fully operationalised maternal wing and laboratory services and natural service growth (volume in line with increasing population, increased health-seeking behaviour and health financing).

The CCBRT Academy has grown since its inception in 2018 and provides adequate skill-based training for healthcare workers.

Following the challenges faced by high human resource costs, it has been noted that other health facilities are using students to fill in staff gaps at low costs. CCBRT could apply the same strategy to manage HR costs by converting the academy into a formal registered training school. In addition, CCBRT could particularly focus on the observed gaps in the market linked to rehabilitation service providers, and it could serve as a business strategy to make the academy more financially sustainable.

Hence, CCBRT has started a feasibility study to transform the academy into a medical college. It is now confident that Medical Training College will be established in 2026.

Research has been added as a strategic priority in the 2023-2027 strategy, and this is hosted under the CCBRT Academy. From 2023, the focus has been on establishing the research committee, training the team, and developing the research framework. The aim is to promote and conduct research at CCBRT, empower CCBRT staff with research skills, and host partnerships with research institutions.

The growth of the volume of activities will require strategic investment:

1) Investment in human resources to retain human capital, which includes remuneration review and investment in working tools. Capacity building is needed to get the required skill sets for vertical growth (super specialisation). Expanding 24-hour 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 enable data-driven decision-making and

3) Strengthening governance & management requires additional positions and human resources.

17. PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES

SN	Risk	Implication	Mitigation
1	Changes in NHIF prices create a risk to achieving the target of own revenue.	A decrease in NHIF Revenue will affect the ability to cover operating costs. It will affect the cash flows and the ability to pay suppliers and current borrowings.	• Improve the patient process so that patients can pay cash premiums. Process improvement for evening surgeries and clinics • Tariff diversification (premium, cash, insurance) • Re-negotiate contract with visiting consultants. • System improvements and acquiring a new Hospital Management System (HMIS). • Improving and Strengthening billing function.

17. PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES (CONTINUED)

SN	Risk	Implication	Mitigation
2	Drastic reduction of financial support from donors and development partners	If financial support is not secured, CCBRT will no longer be able to offer specific services and will need to execute retrenchment of staff. This will mainly impact the subsidized support for poor and vulnerable clients.	CCBRT has taken several actions to restore/improve the financial situation: • Increased marketing of our services. • Increase seeking CSR/CSI support. • Continue fundraising, strengthening resource mobilization function with Additional capacity for the resource mobilisers. • Tanzania support: Continue lobbying the government on the modalities of this support. • Diversification of proposals (incl. impact investors). • Strategic branding and communication plan. • Proposal to address organizational structure.
3	Insufficient support from the Government of Tanzania while the Service Level Agreement (SLA) is in place.	Financial support from the Government of Tanzania will directly assist in reducing the funding gap of CCBRT.	CCBRT Management and CCBRT Board continue to lobby with the government on inclusion in the Government of Tanzania budget.

Uncertainties

CCBRT relies heavily on Donor funding to implement its activities. The uncertainty, dynamics, and change in donors' focus create uncertainties for the organization to secure funds to cover activities.

Opportunities

Seek new donors/partnerships for resource support (e.g., in-kind, financial, and technical). Support from corporate partners and the business community. Impact investments, the 'gift that keeps 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 do not have standard credit characteristics; they differ depending on whether they are normal debtors, "governed by specific debtor terms," or the creditworthiness of the Organisation from which they are receivable.

Credit risk is managed by the Chief Finance Officer, except for credit risk relating to trade receivables. The Organisation's billing manager assesses each customer's credit quality, considering its financial position, experience, and other factors.

Market risk

The main market risk to the Organisation is 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.

The detailed disclosure of the risks is included in Note 5 to the financial statements.

18. BUDGET PERFORMANCE VS ACTUAL

Details	Actual 2024	Plan 2025	Actual 2025	Variance Actual 2024 vs 2025	Variance Plan 2025 vs Actual 2025	Actual 2024 vs 2025	Plan 2025 vs Actual 2025
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	Var %	Var %
Revenue:							
Patient revenue	16,827,565	21,315,863	18,969,887	2,142,321	(2,345,976)	13%	(11%)
Partners revenue	7,183,729	9,737,885	5,512,256	(1,671,472)	(4,225,629)	(23%)	(43%)
Government of Tanzania	486,551	483,000	650,173	163,622	167,173	34%	35%
Donations and contributions	344,784	1,070,000	776,843	432,059	(293,157)	125%	(27%)
Program income	755,257	2,107,784	568,289	(186,968)	(1,539,495)	(25%)	(73%)
Total revenue	**25,597,886**	**34,714,532**	**26,477,448**	**879,562**	**(8,237,084)**	**3%**	**(24%)**
Expenses:							
Medicines & med consumables	3,825,440	4,353,540	4,685,902	860,462	332,362	22%	8%
Staff cost	18,220,854	19,812,382	17,796,969	(423,885)	(2,015,413)	(2%)	(10%)
Running cost	4,724,536	7,351,177	5,506,431	781,895	(1,844,746)	17%	(25%)
Sub total expenses	**26,770,830**	**31,517,099**	**27,989,302**	**1,218,472**	**(3,527,797)**	**5%**	**(11%)**
Gross margin	**(1,172,944)**	**3,197,433**	**(1,422,844)**	**(249,901)**	**(4,620,278)**	**20%**	**(144%)**
Others (non - cash expenses)	5,177,552	3,150,903	3,667,486	(1,510,067)	516,583	(29%)	16%
Total expenses	**31,948,382**	**34,668,002**	**31,656,788**	**(291,595)**	**(3,011,213)**	**(1%)**	**(9%)**
Non-operating income	1,469,545	-	89,011	(1,380,534)	89,011	(94%)	-
Surplus/(deficit)	**(4,880,951)**	**46,530**	**(5,090,330)**	**2,551,690**	**(5,136,862)**	**4%**	**(11,040%)**

18. BUDGET PERFORMANCE VERSUS ACTUAL (CONTINUED)

2025 Budget vs Actual

After adjusting the plan with the IPSAS presentation, total revenue was 24% below the plan, which requires all capital expenses from non-exchange transactions to be recognised as revenue if no conditions are attached.

- Revenue from patients reported below target by 11%. Mainly contributed to NHIF fragility, NHIF changes, reduction of NHIF prices, Toto Afya card, and NHIF rejections.
- Partner's revenue decreased by 43% against plan; fundraising activities have not been as successful as expected and planned in 2025.

Expenses were below the plan by 11% before including non-cash items, and costs were maintained within the budget.

- However, medicine and consumables were 8% above the plan due to the natural growth in some of services provided. Expenses were adjusted to match the revenue generated;
- Staff costs underspend by 10% as some positions were not replaced due to efficiency gains and few staff retrenchment from project administration unit. Consideration for recruitment was given in revenue generation areas based on business case justifications; and
- Running costs were underspent because some activities were not executed due to a lack of funding; hence, they were below the plan by 25%.

Actual 2024 versus 2025

- Revenue increased by 4% in 2025, and the reason was a natural increase in the Patient Revenue by 13%.
- Patient Revenue increased by 13%, driven by super performance in some of the specialised services.

Expenses increased in 2025 compared to 2024 by 5%:

- This is attributed mainly by overspending in medicine and medical consumables costs; some activities were put on hold due to a lack of funding.

19. STAKEHOLDER RELATIONSHIPS

CCBRT's stakeholders are individuals or institutions with a direct or indirect interest in CCBRT. During the year, the organisation continued to engage with stakeholders.

Customer feedback

In 2025, our Quality Assurance & Customer Care department strengthened the tools to ensure effective customer feedback collection. Various methodologies are used to gather input, such as face-to-face interviews, emails, WhatsApp, "Maoni Box," and feedback via our website.

Government of Tanzania

Following the expiry of Service Level Agreement (SLA) in 2025, CCBRT management engaged the Government to renew the SLA which has been signed off on 03rd June 2026. The SLA signed is for five (5 years) running up to 2030. CCBRT started receiving salary support from the Government for less than 10 employees in 2023 and continued to receive Government funds for running costs. CCBRT also received a credit note to receive medicines and consumables from the Medical Stores Department (MSD). In addition, CCBRT continued receiving government internships in pharmacy and optometry. In May 2026, CCBRT received a capital development funds TZS 1,778 million for procurement of CT scan, Eye equipment and machine for Endoscopy diagnostic.

Donors

In 2025, CCBRT has been undertaking individual engagements with all donors, presenting the performance and development of different activities and the organisation's strategic direction.

19. STAKEHOLDER RELATIONSHIPS (CONTINUED)

Employees

The organisation continues to enhance its employee experience, putting employees first. Management ensures that our employees can directly and openly communicate with management through various channels and meeting opportunities. In 2024, CCBRT embarked on a performance management system that involves in-depth open discussions between staff and their line managers. Employee net promoter surveys were also introduced (once per quarter). All staff meetings were conducted twice per year, and prior to the meeting, staff were asked to submit their queries, which management responded to during the meeting.

20. 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 grants. Capital includes a capital reserve, a property and equipment revaluation reserve, and an accumulated surplus, which stood at TZS 66,356,234,000 (2024: TZS 71,446,565,000).

21. CORPORATE GOVERNANCE

During the year, the Board had nine (9) non-executive members who were not involved in the day-to-day running of the Organisation (Two (2) of the members retired during the year and one (1) director appointed as indicated in page 19). The Chairperson of the CCBRT Board is appointed by the members of the Board for a term of five years. The CEO is ex officio in her position as 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 board closed the financial year 2025 with nine (9) board members including the ex-officio whereby six (6) of them which makes 66.7% are women and three (3) implying 33.3% are men.

The Governing Board is required to meet four times per year. The Board delegated the day-to-day management and running of the Organisation to the Chief Executive Officer, who is assisted by the Hospital Executive Committee (HEC).

21. CORPORATE GOVERNANCE (CONTINUED)

Table 1: Members of the Governing Board

SN	Name of Board member	Gender	Title	Qualifications	Year of Appointment	Year of resignation	Nationality
1	Dr Willibrod Peter Slaa	Male	Chairperson-Retired	PhD Law Seminary Certificate Theology Seminary Certificate Psychology	1994	2025	Tanzanian
2	Ms. Miranda Naiman Mpogolo	Female	Vice-Chairperson / Committee Chairperson GNR-Retired	BSc Drama MA in Theatre & Development Studies	2020	2025	Tanzanian
3	Mrs. Esther Kileo Kitoka	Female	Vice-Chairperson / Committee chair GNR-Active	AMP CPA B.Sc. Commerce in Accounting Ms Commerce in Banking	2020	N/A	Tanzanian
4	Dr. Sabina Ferdinand Mugusi	Female	Member CQR-Active	MBBS (MD) PhD- HIV & Tuberculosis Post-Grad Fellowship HIV	2021	N/A	Tanzanian
5	Dr. Nelly Iteba	Female	Committee Chairperson CQR-Active	MD Master International Health Master of Management - Health Leadership (IHML)	2021	N/A	Tanzanian
6	Dr. Redempta John Mbatia	Female	Board Chairperson-Active	MD Fellowship Cardiology Fellowship General Internal Medicine. Post Graduate Tropical medicine (DTHM) M.Sc. Epidemiology.	2021	N/A	Tanzanian
7	Ms. Shemane Amin	Female	Member GNR-Active	Bachelor of Arts (B.A.) Psychology and Business; J.D.	2022	N/A	Tanzanian
8	Ms. Brenda Msangi	Female	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
9	Mr. Robin Ernest Kimambo	Male	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
10	Mr. Anael Samuel	Male	Committee Chair 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
11	Mr. Eligard Dawson	Male	Member GNR-Active	MSc. Education for Sustainability (2011)	2025	N/A	Tanzania

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

21. CORPORATE GOVERNANCE (CONTINUED)

During the year, the Board conducted four (4) ordinary meetings and one (1) extra ordinary meeting. 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 2026 budget;
(ii) Re-appointment of auditors for the 2025 audit;
(iii) Recruitment of new board members with resource mobilisation skills;
(iv) Strategic scorecard;
(v) Approval Organizational Structure changes including incorporation of new company limited by shares (CLS)
(vi) Organisational Policy Approval and
(vii) Establishment and registration of Medical College.

Table 2: Attendance of Board Members

SN	Name	Board Meetings			
		04/04/2025	06/06/2025	29/08/2025	19/12/2025
1	Dr Willibrod Peter Slaa*	Apologies	N/A	N/A	N/A
2	Ms. Miranda Naiman**	Present	N/A	N/A	N/A
3	Mrs. Esther Kileo Kitoka	Present	Present	Present	Present
4	Dr. Sabina Mugusi	Apologies	Present	Present	Apologies
5	Dr. Redempta Mbatia	Present	Present	Present	Present
6	Dr. Nelly Iteba	Present	Present	Present	Apologies
7	Ms. Shemane Amin	Present	Present	Apologies	Apologies
8	Mr. Anael Samuel	Present	Apologies	Present	Present
9	Mr. Robin Kimambo	Apologies	Present	Present	Present
10	Ms. Brenda Msangi	Present	Present	Present	Present
11	Mr. Eligard Dawson***	N/A	Present	Present	Present

* Dr Slaa`s retirement was approved on 4th April 2025 in the board meeting which was chaired by Ms Miranda
**Ms Miranda chaired the meeting and also retired on the same day of 4th April 2025.
***Mr. Eliguard was appointed on 4th April 2025 and attended the first meeting on 6th June 2025.

Committees of the Board

CCBRT has three (3) Board Committees that aim to enhance 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 consists of two (2) 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. Esther Kileo Kitoka	Committee chair - Active
Ms. Shemane Amin	Member
Mr. Eligard Dawson	Member

21. CORPORATE GOVERNANCE (CONTINUED)

Governance, Remuneration & Nomination Committee (Continued)

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

(i) Constitution review;
(ii) Finalisation of recruitment board members;
(iii) Recruitment of Board Secretary;
(iv) Organisation Policy Framework; and
(v) Organisational Board Retreat.

Finance, Risk & Audit Committee

The Organization's Finance, Risk & Audit Committee is comprised of three (3) members as shown in Table 4 below. The Audit Committee assists the Board in fulfilling its oversight responsibilities regarding risk management, the 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 Finance, Risk & Audit Committee

Name	Position
Mr. Anael Samuel	Committee chair – Active
Mr. Robin Ernest Kimambo	Member

During the year, the committee held four (4) meetings, and several recommendations were made by the committee to the board including:

(i) Recommending Approval of the 2026 budget;

(ii) Recommending Approval of Audited Financial Statements; and

(iii) Re-appointment of External Auditor.

Clinical Quality & Research Committee

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

Table 5: Members of Clinical Quality & Research Committee

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

*Dr Redempta is no longer a member in the committee after her appointment as Chair of the Board in April 2025.

During the year, the committee held four (4) meetings. The committee analysed the organisation's clinical performance and made recommendations for improvement to the Board. It also deliberated the establishment of a Medical College to address the shortage of human resource challenges in hospitals.

22. RELATED PARTIES

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

23. GOING CONCERN

During the year, the Organisation incurred a deficit of TZS 5,090 million (2024: TZS 4,881 million). As at year end, the Organisation reported a net current liability position of TZS 5.7 billion (2024: net current liability of TZS 2.2 billion).

In addition, there has been a significant decline in traditional donor funding in recent years due to the uncertainties in the geopolitical landscape. This has resulted in the Organisation's expenditure growth outpacing revenue growth.

These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Organisation's ability to continue as a going concern.

To address this uncertainty, Management and the Board of Governors have implemented the following mitigation measures:

- **Diversification of revenue streams:** Management continues to strengthen internally generated income through initiatives such as the operation of evening clinics, enhancement of patient flow processes to increase capacity for cash-paying patients, renegotiation of contracts with visiting consultants, and optimisation of the usage of renovated general wards due to their affordability. Additionally, selected rooms in the new facility are being converted into semi-private wards, which is expected to increase surgical volumes and overall revenue.

- **Implementation of HMIS:** In April 2025, the Organisation acquired a Hospital Management Information System (HMIS), namely Health AI, which is expected to improve operational efficiency, including reducing NHIF claim rejection rates to below 5% per month.

- **Strengthening supplier partnerships:** The Organisation continues to enhance relationships with key partners to ensure a reliable supply of essential services, including medicines and maintenance of critical equipment.

- **Access to financing:** The Organisation has secured an overdraft facility of TZS 3.7 billion to support ongoing operational requirements.

- **Enhanced fundraising initiatives:** Management has intensified efforts to increase contributions from donors and stakeholders through targeted marketing campaigns, strengthened engagement to secure CSR/CSI support, expanded media-based fundraising initiatives, and reinforcement of the resource mobilisation function with a focus on flexible funding. For example, the Azam Media Campaign, launched on 3 June 2026, aims to raise public funds to support treatment for disadvantaged groups.

- **Government engagement:** Management and the Board continue to engage with the Government to secure increased support. Discussions are ongoing regarding the Organisation's potential designation as a National Centre of Excellence for Rehabilitation Services, which is expected to improve long-term sustainability. As part of this engagement:

    - The Government provided TZS 1,778 million in May 2026 for capital investments, including CT scan equipment, eye care equipment, and an endoscopic diagnostic machine.

    - On 3 June 2026, the Organisation signed a Service Level Agreement (SLA) with the Government to provide manpower support to the hospital.

23. GOING CONCERN (CONTINUED)

However, if the Organisation is not able to successfully implement the enhanced fundraising initiatives including the government support which form a significant basis for the cash flow projections for the next twelve months, a material uncertainty may exist which may cast significant doubt about the Organisation's ability to continue as a going concern and, therefore that it may be unable to discharge its liabilities in the normal course of business.

Notwithstanding the above, the Governing Board believes that the identified mitigation actions are achievable and has concluded that the use of going concern assumption is appropriate in the preparation of financial statements.

24. ENVIRONMENTAL CONTROL PROGRAMME (ENVIRONMENT, SOCIAL, GOVERNANCE-ESG)

The Organisation monitors the impact of its operations on the environment, considering power and water usage and waste generation. Its policies provide guidelines and mitigation measures for managing all waste produced from the daily routine activities at office premises.

The Tanzanian government wants at least 80% of cooking in the country to be powered by clean energy sources by 2032. About 97% of households are exposed to high levels of smoke from indoor cooking.

CCBRT continues implementing measures to enhance overall waste management through recycling and reusing paper in our operations. A partnership with a local Non-Governmental Organisation promoting waste recycling.

CCBRT aims to ensure compliance with NEMC to enhance business performance and reduce risks.

25. AUDITOR

KPMG was appointed as auditor of CCBRT for the year ended 31 December 2025 and is eligible for re-appointment. The resolution to re-appoint KPMG for the next accounting year ending 31 December 2026 will be in the forthcoming Board of Directors meeting.

26. STATEMENT OF COMPLIANCE

The report by those charged with governance and financial statements of Comprehensive Community Based Rehabilitation in Tanzania has been prepared in compliance with Tanzania Financial Reporting Standards No. 1 (TFRS 1).

BY ORDER OF THE GOVERNING BOARD

Dr Redempta John Mbatia **President of the Board of CCBRT**	**Ms. Brenda Msangi** **Secretary/ Chief Executive Officer**
18 June 2026 **Date**	18 June 2026 **Date**

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

WORD FROM THE PRESIDENT OF THE GOVERNING BOARD
FOR THE YEAR ENDED 31 DECEMBER 2025

Dear Esteemed Partners and Supporters,

As we reflect on 2025, I am deeply proud of the remarkable progress we have made at Comprehensive Community-Based Rehabilitation in Tanzania (CCBRT). This year, we remained steadfast in our commitment to providing accessible, high-quality maternal services and rehabilitative healthcare to individuals living with or at risk of disabilities. Our success is built on the strong foundation of collaboration, and it is only with the unwavering support of our partners, donors, and stakeholders we can continue to make a real difference.

This year's achievements are a testament to the dedication of every person involved—our patients who trust us with their care, the hardworking management and clinical teams, and every support staff member who ensures our services remain available to those who need them most. On behalf of the Board of CCBRT, I express my immense pride in all of you.

We are also deeply grateful to our government, particularly the Ministry of Health, and our partners for their generous contributions and expertise. Your continued belief in our vision and mission has been invaluable. We look forward to continuing this journey together, working to improve lives and create a lasting impact in the years ahead.

Dr. Redempta John Mbatia
President of the Governing Board of CCBRT

Date: 18 June 2026

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

WORD FROM THE CHIEF EXECUTIVE DIRECTOR (CEO)
FOR THE YEAR ENDED 31 DECEMBER 2025

Dear Readers,

Warm greetings from Comprehensive Community-Based Rehabilitation in Tanzania (CCBRT).

Every year brings fresh opportunities, ambitious goals, and the promise of progress. At CCBRT, we embrace this spirit while remaining committed to tracking our achievements, learning from challenges, and upholding accountability through our organisational reports, including audited reports.

2025 was a historic milestone for CCBRT as we proudly celebrated 32 years of dedicated service—transforming lives through high-quality healthcare, rehabilitation and development program. This year alone, 121,755 individuals received respectful, quality health services from CCBRT (2024: 112,254 individuals received quality services), representing an 8% growth year on year.

Beyond health services, we continued investing in sustainable development programs, empowering women through the Mabinti Centre, advocating for the inclusion of people with disabilities, and promoting healthcare education through the CCBRT Academy. These interventions impact society and unlock opportunities beyond health for the vulnerable individuals we serve such as education for children with disabilities or economic resilience for women and girls.

This audited report is a reflection of the resilience, commitment, and impact that define CCBRT.

With gratitude and commitment,

Ms. Brenda Msangi
Chief Executive Officer

Date: 18 June 2026

STATEMENT OF THE GOVERNING BOARD MEMBERS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2025

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 of 31 December 2025, 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 material accounting policies, in accordance with the Accrual Basis International Public Sector Accounting Standards (IPSASs).

The Governing Board Members are also responsible for such internal control as the Board determines necessary to enable the preparation of financial statements 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 organization's ability to continue as a going concern and are aware of a material uncertainty related to events and conditions that may cast significant doubt on the Organisation's ability to continue as a going concern and, therefore, the Organisation may be unable to realize their assets and discharge their liabilities in the normal course of business. As disclosed at Note 25 (Page 69), the Governing Members have put in place measures and plans to ensure that the Organisation will continue as a going concern at least 12 months from 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 annual 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 ....18.....June..........2026 and signed by:

Dr. Redempta John Mbatia	Ms. Brenda Msangi
President of the Board of CCBRT	**Secretary / Chief Executive Officer**
18 June 2026	18 June 2026
Date	**Date**

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

DECLARATION OF THE HEAD OF FINANCE
FOR THE YEAR ENDED 31 DECEMBER 2025

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 by 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 Onisi Lukosi, 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 2025 have been prepared in accordance with the Accrual Basis International Public Sector Accounting Standards (IPSAS)

I thus confirm that the financial statements of Comprehensive Community Based Rehabilitation in Tanzania (CCBRT) comply with applicable accounting standards as of that date and that they have been prepared based on properly maintained financial records.

Signed by:

Mr. Onisi Lukosi
Chief Finance Officer
NBAA Membership No. CPA 30440

Date: 18 June 2026

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT)

Opinion

We have audited the financial statements of Comprehensive Community Based Rehabilitation in Tanzania (CCBRT) ("the Organisation") set out on pages 31 to 70, which comprise the statement of financial position as at 31 December 2025 and the 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 material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Organisation as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with Accrual Basis International Public Sector Accounting Standards (IPSAS) as issued by International Public Sector Accounting Standards Board (IPSASB).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organisation in accordance with the 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.

Material uncertainty related to going concern

We draw attention to Note 25 to the financial statements, which indicates that the Organisation incurred a net loss of TZS 5,090 million during the year ended 31 December 2025 and, as of that date, the Organisation's current liabilities exceeded its current assets by TZS 5,719 million. The Organisation is implementing enhanced fundraising initiatives and pursuing government support as mitigations to the conditions identified. As stated in Note 25 these events or conditions, along with other matters as set forth in indicate that a material uncertainty exists that may cast significant doubt on the Organisation's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The Governing board members are responsible for the other information. The other information comprises the information included in the *Comprehensive Community Based Rehabilitation in Tanzania (CCBRT) Annual Report and Financial Statements for the year ended 31 December 2025* but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report.

KPMG

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT) (CONTINUED)

Other information

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

In connection with our audit of 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 have 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 of financial statements that give a true and fair view in accordance with Accrual Basis International Public Sector Accounting Standards (IPSAS) as issued by International Public Sector Accounting Standards Board (IPSASB) and for such internal control as the Governing board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional 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 organisation's internal control.

KPMG

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA (CCBRT) (CONTINUED)

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

- 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.

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: 18/06/2026

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 TZS '000	2024 TZS '000
Revenue			
Revenue from non-exchange transactions	6	6,926,508	7,824,731
Revenue from exchange transactions	7	19,550,940	17,773,155
		26,477,448	**25,597,886**
Other income	8	89,007	-
Finance income	10(b)	1,493,367	1,469,545
		28,059,822	**27,067,431**
Expenses			
Employee benefits expenses	11	(17,796,969)	(18,220,854)
Depreciation and amortisation	12&13	(3,757,208)	(3,688,039)
Operating costs	9	(9,125,586)	(8,356,369)
Finance cost	10(a)	(1,859,972)	(1,489,513)
Net impairment on trade and other receivables	15	(610,417)	(193,607)
		(33,150,152)	**(31,948,382)**
Deficit for the year before tax		**(5,090,330)**	**(4,880,951)**
Tax expense	23	-	-
Net deficit for the year		**(5,090,330)**	**(4,880,951)**

Notes and related statements forming part of these financial statements appear on pages 35 to 70.

Report of the auditor – Pages 28 to 30.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Notes	2025 TZS'000	2024 TZS'000
ASSETS			
Non-current assets			
Property and equipment	12	76,114,406	78,395,657
Intangible assets	13	104,289	85,459
		76,218,695	**78,481,116**
Current assets			
Inventories	14	2,332,069	2,139,362
Trade and other receivables	15	1,918,302	1,837,299
Grant receivables	16	4,896	92,180
Cash and cash equivalents	17	1,511,873	2,729,915
		5,767,140	**6,798,756**
TOTAL ASSETS		**81,985,835**	**85,279,872**
RESERVES AND LIABILITIES			
RESERVES			
Accumulated surplus		63,359,633	68,320,080
Revaluation reserve		2,996,602	3,126,485
Total reserves		**66,356,235**	**71,446,565**
LIABILITIES			
Non-current liabilities			
Borrowings	18	4,142,791	4,834,949
		4,142,791	**4,834,949**
Current liabilities			
Borrowings	18	777,712	748,749
Bank Overdraft	18	432,522	-
Deferred grant income	19	1,682,565	1,767,623
Trade and other payables	20	8,594,010	6,481,986
		11,486,809	**8,998,358**
TOTAL LIABILITIES		**15,629,600**	**13,833,307**
TOTAL RESERVE AND LIABILITIES		**81,985,835**	**85,279,872**

The financial statements on pages 31 to 70 were approved by the Governing Board on 18 June 2026 and signed by:

Dr Redempta John Mbatia
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 35 to 70.

Report of the auditor – Pages 28 to 30.

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Accumulated surplus	Revaluation reserve	Total
	TZS'000	TZS'000	TZS'000
2025			
Balance at 1 January 2025	68,320,080	3,126,485	71,446,565
Deficit for the year	(5,090,330)	-	(5,090,330)
Transfer of revaluation reserve	129,883	(129,883)	-
Balance at 31 December 2025*	**63,359,633**	**2,996,602**	**66,356,235**
2024			
Balance at 1 January 2024	73,071,148	3,256,368	76,327,516
Deficit for the year	(4,880,951)	-	(4,880,951)
Transfer of revaluation reserve	129,883	(129,883)	-
Balance at 31 December 2024	**68,320,080**	**3,126,485**	**71,446,565**

* The accumulated surplus of TZS 63,359 million (2024: TZS 68,320 million) is composed of accumulated non distributable reserve of TZS 65,492 million (2024: TZS 65,492 million) (originating from non-exchange transactions) and accumulated losses on exchange transactions of TZS 2,133 million (2024: TZS 2,828 million).

Notes and related statements forming part of these financial statements appear on pages 35 to 70.

Report of the auditor – Pages 28 to 30.

COMPREHENSIVE COMMUNITY BASED REHABILITATION IN TANZANIA

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 TZS '000	2024 TZS '000
Cash flows from operating activities			
Deficit for the year		(5,090,330)	(4,880,951)
Adjustments for:			
Depreciation	12	3,673,976	3,633,519
Amortisation of intangible asset	13	83,232	54,520
Impairment of trade and other receivables	15(c)	610,417	193,607
Revenue rejections	15(a)	-	959,563
Finance cost	10(a)	456,332	488,720
Unrealised foreign exchange gains and losses		(4,134)	268,932
		(270,507)	**717,910**
Changes in:			
Inventories		(192,706)	188,117
Trade and other receivables	15	(689,582)	18,972
Grant receivables		87,284	61,144
Deferred grant income		(85,057)	(1,654,584)
Trade and other payables		2,112,024	(651,783)
Cash generated/ (used) in operating activities		**961,456**	**(1,320,224)**
Interest received		3	-
Net cash generated/ (used) in operating activities		**961,459**	**(1,320,224)**
Cash flows from investing activities			
Purchase of property and equipment	12	(1,493,160)	(1,401,138)
Purchase of intangibles	13	(1,628)	-
Net cash used in investing activities		**(1,494,788)**	**(1,401,138)**
Cash flows from financing activities			
Borrowings received during the year	18	-	154,700
Repayment of borrowings – Principal	18	(738,247)	(712,989)
Repayment of borrowings – Interest	18	(385,414)	(612,891)
Net cash used in financing activities		**(1,123,661)**	**(1,171,180)**
Net decrease in cash and cash equivalents		**(1,656,990)**	**(3,892,542)**
Cash and cash equivalents at 1 January		2,729,915	7,160,322
Effect of movements in exchange rates on cash held		6,426	(537,865)
Cash and cash equivalents at 31 December	17	**1,079,351**	**2,729,915**

Notes and related statements forming part of these financial statements appear on pages 35 to 70.

Report of the auditor – Pages 28 to 30.

1. REPORTING ORGANISATION

Comprehensive Community Based Rehabilitation in Tanzania ("CCBRT" or "the Organisation") is a locally registered non-governmental organisation 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. On 2nd August 2023, CCBRT was issued a new Certificate with Registration 00NG/R1/00221, under terms and conditions of NGO Act,2002. CCBRT is the ultimate holding organisation.

The address of its registered office and principal place of business is 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 the Accrual Basis International Public Sector Accounting Standards (IPSAS) as issued by International Public Sector Accounting Standards Board (IPSASB).

(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 IPSAS requires management to make judgements, estimates and assumptions that affect the application of policies and the 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 12 months to determine the appropriate basis for developing its expected lifetime credit loss on the trade receivables portfolio.

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.

In addition, management uses judgement in the determination of revalued amounts for buildings as described in Note 12.

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 Organisation's ability to continue as a going concern.

Details relating to going concern are included in Note 25.

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

3. NEW STANDARDS ISSUED

(i) ***Relevant standards, amendments and interpretations issued which became effective during the year***

Approved Standard	Changes	Effective Date
IPSAS 44: *Non-current Assets Held for Sale and Discontinued Operations.*	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.	Annual periods beginning on or after 1 January 2025.
IPSAS 45: *Property, Plant and Equipment*	International Public Sector Accounting Standard (IPSAS) 45 replaces IPSAS 17, Property, Plant, and Equipment by adding current operational value as a measurement basis in the updated current value model for assets within its scope, identifying the characteristics of heritage and infrastructure assets, and adding new guidance on how these important types of public sector assets should be recognized and measured.	Annual periods beginning on or after 1 January 2025.
IPSAS 46: *Measurement*	International Public Sector Accounting Standard (IPSAS) 46 provides new guidance in a single standard addressing how commonly used measurement bases should be applied in practice. It brings in generic guidance on fair value for the first time, and introduces current operational value, a public sector specific current value measurement basis addressing constituents' views that an alternative current value measurement basis to fair value is needed for certain public sector assets.	Annual periods beginning on or after 1 January 2025.

IPSAS 43 *Leases* was effective on 1 January 2025. However, management decided to early adopt the standard in 2022. The early adoption of the standard did not have significant impact on the financial statements.

3. STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

(ii) Relevant standards, amendments and interpretations issued but not yet effective and not early adopted

Approved Standard	Changes	Effective Date
IPSAS 47: *Revenue*	IPSAS 47 is a single source for revenue accounting guidance in the public sector, which presents two accounting models based on the existence of a binding arrangement. This new Standard provides focused guidance to help entities apply the principles to account for public sector revenue transactions.	Annual periods beginning on or after 1 January 2026.
IPSAS 48: *Transfer Expenses*	IPSAS 48 provides accounting guidance for transfer expenses, which account for a significant portion of expenditures for many public sector entities. This new Standard fills a significant gap in the IPSASB's literature and guides to help entities account for public sector transfer expense transactions. Under IPSAS 48, the accounting for transfer expenses is driven by whether the transaction results in an enforceable right to have the transfer recipient satisfy their obligation. Management is currently assessing impact of the standard in its financial statements.	Annual periods beginning on or after 1 January 2026.
IPSAS 49: *Retirement Benefit Plans*	IPSAS 49, Retirement Benefit Plans establishes comprehensive accounting and reporting requirements for the financial statements of retirement benefit plans, with participants comprising current and former public sector employees and other eligible members. It requires pension assets and liabilities be presented on a gross basis, including movements during the period which is different from net – liability position in IPSAS 39. Management is currently assessing impact of the standard in its financial statements.	Annual periods beginning on or after 1 January 2026.
IPSAS SRS 1 *Climate-related Disclosures*	The standard requires entities to disclose their governance arrangements for climate oversight, including how roles and responsibilities are assigned and carried out. It also requires entities to explain how climate related matters affect business strategy and decision-making, describe actual and potential financial impacts, and provide forward-looking information such as scenario analysis and assessments of climate resilience strategies. Management is currently assessing impact of the standard in its financial statements.	Annual reporting periods beginning on or after January 1, 2028, with earlier adoption permitted

4. MATERIAL ACCOUNTING POLICIES

a) Revenue

i) Revenue from exchange transactions

Exchange transactions are transactions in which one entity receives assets or services, or has a 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 the 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.

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.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

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.

Foreign exchange gains and losses also forms part of finance income and cost as described in Note 4 (f).

c) Other income

Other income comprises gain on disposal of property and equipment.

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 are generally recognized in the statement of financial performance at the time it is incurred.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

f) Foreign currencies

Transactions in foreign currencies are translated to the functional currency, Tanzanian shillings (TZS) 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. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in statement of financial performance under finance cost and income.

g) Financial instruments

(i) Recognition and initial measurement

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

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

(ii) Classification and subsequent measurement

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

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

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

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

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

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

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

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

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

g) Financial instruments (Continued)

(iii) Classification and subsequent measurement

After initial recognition, the Organisation measures 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 a 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 a 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 a financial asset measured at fair value through net assets and the entity is required to recognise some changes in fair value in net assets.

(iv) 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.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

g) Financial instruments (Continued)

(iv) Derecognition

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.

(v) Offsetting

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

h) Impairment

i) Non-derivative financial assets

Financial instruments and contract assets

The Organisation recognises loss allowances for ECLs on financial assets measured at amortised cost (Cash and cash equivalents and trade receivables).

The Organisation measures loss allowances at an amount equal to lifetime ECLs. Loss allowances for trade receivables and cash and cash equivalents are 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 90 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 90 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).

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

h) Impairment (Continued)

i) Non-derivative financial assets (Continued)

Financial instruments and contract assets (Continued)

The maximum period considered when estimating ECLs is the maximum contractual period over which the Organisation is exposed to credit risk.

Measurement of ECLs

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 90 days past due;
- the restructuring of a loan or advance by the Organisation on terms that the Organisation would not consider otherwise;
- it is probable that the customer/borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

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

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

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. For trade and other receivables, the Organisation individually makes an assessment with respect to timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Organisation expects no significant recovery from the amounts written of. However, the financial assets that are written off could still be subject to enforcement activities to comply with the Organisation's procedures for recovery of the amounts due.

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).

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

h) Impairment (Continued)

ii) Non-financial assets (Continued)

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 surplus or deficit. 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 an external independent valuer, less depreciation. Revaluations of buildings are performed with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the reporting date. 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 surplus or deficit. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged in the statement of surplus or deficit), 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 revalued assets.

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

Assets are depreciated in the month when they are available for 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	Number of years	Annual Rate (%)
Buildings	50	2
Tools and Machinery	8	12.5
Motor vehicles	4	25
Motorcycles and bicycles	4	25
Equipment	8	12.5
Furniture and Fittings	8	12.5
Computers	3	33.33

Capital Work in Progress

Construction on progress is initially recorded at historical cost at the date of the 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 at as an intangible asset and subsequently measured at cost less any accumulated amortisation and accumulated impairment losses. Amortisation is calculated on a straight-line basis over the estimated useful life of four years (25% annual amortisation rate). Costs incurred in maintaining computer software programmes are expensed as incurred.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

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 premises.

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

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

The Organisation determines its incremental borrowing rate by analysing its borrowings from various external sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

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

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

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in surplus or deficit 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.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

k) Leases (Continued)

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

Cash and cash equivalents comprise cash on hand and bank balances. For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in bank.

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 7, 2007.

Tax expense comprises current tax and deferred tax. Current tax is the amount of income tax payable on the taxable surplus 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 based on 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 surpluses will be available against which the temporary differences can be utilized.

o) 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.

p) 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 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.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

q) 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 are recognised in the Statement of Financial performable 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 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.

r) Accumulated surplus

The accumulated surplus records the total of all annual surplus or deficits achieved by the Organisation since its inception.

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

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 of 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 provide 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 Organisation entity enters 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 Organisation has assets denominated in foreign currencies. As a result, the Organisation is subject to transaction and translation exposure from fluctuations in foreign currency exchange rates. Exposure to foreign currency risk is mitigated by the fact that most of the income and capital grants are negotiated and contracted in foreign currencies and foreign currency assets and liabilities are normally settled within a short period of time.

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

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

	USD	EUR	Total
	TZS '000	TZS '000	TZS '000
2025			
Trade payables	(42,206)	(330,550)	(372,756)
Borrowings	(5,353,025)	-	(5,353,025)
Cash and cash equivalents	231,565	601,613	833,178
Net exposure	**(5,163,666)**	**271,063**	**(4,892,603)**
2024			
Trade payables	(465,525)	(1,201,862)	(1,667,387)
Borrowings	(5,583,698)	-	(5,583,698)
Cash and cash equivalents	980,204	908,786	1,888,990
Net exposure	**(5,069,019)**	**(293,076)**	**(5,362,095)**

Disclosure around market risk also relates to sensitivity analysis of the type of market risk – currency risk, showing how the financial performance and net assets 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 income and expenditures.

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

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

	USD	EUR	Total
	TZS '000	TZS '000	TZS '000
2025			
Increase/(decrease) in surplus or deficit	(258,183)	13,553	(244,630)
Increase/(decrease) in net assets	(258,183)	13,553	(244,630)
2024			
Increase/(decrease) in surplus or deficit	(253,451)	(14,654)	(268,105)
Increase/(decrease) in net assets	(253,451)	(14,654)	(268,105)

The following significant exchange rates have been applied.

	Year-end spot rate		Average rate	
	2025	**2024**	**2025**	**2024**
USD/ TZS	2,447	2,395	2,536	2,598
EUR/TZS	2,877	2,502	2,865	2,813

(i) 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 ongoing 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 Billing Manager assesses the credit quality of each customer, considering its financial position, 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 grades the credit quality of the receivables based on internal ratings in accordance with limits set by the Board. Trade receivables are within the approved credit limits, and no receivables have had their terms renegotiated.

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

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.

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

	Gross amount TZS'000	Impaired TZS'000	Net amount TZS'000
2025			
Trade receivables (Note 15) – gross*	4,821,983	2,926,825	1,895,158
Grant receivable	4,896	-	4,896
Other receivables**	627,599	622,220	5,379
Cash at bank	1,504,506	-	1,504,506
	6,958,984	**3,549,045**	**3,409,939**
2024			
Trade receivables (Note 15) – gross*	4,175,995	2,573,480	1,602,515
Grant receivable	92,180	-	92,180
Amount due from Kupona Foundation	2,770,171	2,770,171	-
Other receivables**	632,225	511,741	120,484
Cash at bank	2,727,378	-	2,727,378
	10,397,949	**5,855,392**	**4,542,557**

**Excludes insurance rejections*
***Excludes advances and prepayments*

The management is actively following up on past due debts that are not impaired. For impaired debts that have been fully provided for, management is also pursuing recovery efforts.

See Note 15 for movement in impairment provision.

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. As at 31 December 2025, the cash held at banks by type of counterparty was as follows:

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

Cash at bank balances: (continued)

	2025 TZS '000	2024 TZS '000
Cash at bank and Mobile Network Operators (MNOs) analysis:		
Bank of Africa	588,925	869,044
NMB Bank Plc	710	26,955
NBC Bank Limited	272,872	66,795
Absa Bank Tanzania Limited	-	450
CRDB Bank	641,999	1,757,144
MIC Tigo PESA	-	961
Vodacom M PESA	3,414	6,029
Halopesa	917	-
Total*	**1,508,837**	**2,727,378**

The amount excludes cash on hand amounting to TZS 3,036,000 (2024: TZS 2,537,000). See Note 17 for details.

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, Strategis, and other insurance companies in Tanzania. Management carries out an individual impairment assessment for these receivables due to small numbers of counterparties. The factors that are considered in assessing impairment for each customer's balance individually include:

(a) Financial difficulties of the counterparty.
(b) Consistent failure by the counterparty to settle the amount due on time.
(c) Adverse market conditions affecting the counterparty.
(d) Historical experience in dealing with the insurance organisation including changes in purchase behaviour.
(e) The impact of the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their balances. The Organisation 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 by counterparty.

	Outstanding balance	
	2025	**2024**
Counterparty	**TZS '000**	**TZS '000**
National Health Insurance Fund	4,273,054	3,164,174
AAR Insurance Tanzania	9,197	9,197
Strategis Insurance Tanzania	558,128	292,048
The Jubilee Insurance Company Tanzania	187,630	189,297
Other Health Insurance Providers	748,532	521,279
Kupona Foundation	-	2,770,171
	5,776,541	**6,946,166**

5. FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

Credit risk (continued)

Trade receivables (continued)

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

2025	**Gross carrying amount**	**Loss allowance**	**Net carrying amount**
		TZS '000	**TZS '000**
Current	925,465	(36,436)	889,029
Past due 0 – 30 days	1,017,312	(184,192)	833,120
Past due 31 – 60 days	240,814	(97,360)	143,454
Past due 61 – 90 days	60,589	(31,034)	29,555
Past due 91 – 120 days	6,967	(6,967)	-
Past due > 120 days	2,570,836	(2,570,836)	-
	4,821,983	**(2,926,825)**	**1,895,158**
2024			
Current	679,196	(140,232)	538,964
Past due 0 – 30 days	147,110	(61,932)	85,178
Past due 31 – 60 days	56,977	(45,833)	11,144
Past due 61 – 90 days	32,944	(27,387)	5,557
Past due 91 – 120 days	42,471	(36,595)	5,876
Past due > 120 days	5,987,468	(5,031,672)	955,796
	6,946,166	**(5,343,651)**	**1,602,515**

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 needs 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 2 and 5 years**	**Over 5 years**	**Total**
	TZS '000	**TZS '000**	**TZS '000**	**TZS '000**
At 31 December 2025:				
Trade and other payables*	2,579,554	2,741,180	-	5,320,734
Bank borrowings	1,210,234	4,142,791	-	5,353,025
	3,789,788	**6,883,971**	**-**	**10,673,759**
At 31 December 2024:				
Trade and other payables*	2,664,858	1,743,887	-	4,408,745
Bank borrowings	748,749	4,404,516	430,434	5,583,699
	3,413,607	**6,148,403**	**430,434**	**9,992,444**

*Trade and other payables do not include accruals, advance payments by customers, NSSF penalty and December statutory liabilities amounting to TZS 3,273,276,000 (2024: TZS 2,073,241,000).

5. FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

Capital risk management

The Organisation's objectives when managing capital are to safeguard its ability to continue as a going concern and to;

- ensure continued support and reinvestment into the business operations in case of either shortage of funding or any expansion of the business activities; and
- 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 2025 and 2024 were as follows:

	2025 TZS'000	2024 TZS'000
Total borrowings (Note 18)	5,353,025	5,583,698
Less: Cash and cash equivalents*	(165,797)	(971,330)
Net debt	**5,187,228**	**4,612,368**
Total reserves	66,356,235	71,446,565
Total capital	**71,543,463**	**76,058,933**
Gearing ratio	**7.25%**	**6.06%**

*Excludes cash held at bank for the purpose of implementing donor funded activities amounting to TZS 1.5 billion (2024: TZS 2.72 billion).

6. REVENUE FROM NON – EXCHANGE TRANSACTIONS

	2025 TZS'000	2024 TZS'000
Grants (Note 6(a))	4,336,654	6,609,920
In-kind donations (Note 6(b))	1,509,237	828,060
Other donations and contributions	764,079	154,452
Transfers from other Government Entities	316,538	232,299
	6,926,508	**7,824,731**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

6. REVENUE FROM NON – EXCHANGE TRANSACTIONS (CONTINUED)

(a) Grants

	2025 TZS'000	2024 TZS'000
DANIDA FC	-	4,224
Christian Blind Mission (CBM)	198,087	114,455
Irish Aid	-	759,756
Light for the World	285,121	204,418
Johnson & Johnson (J & J)	-	143,432
Kupona Foundation	18,884	78,740
Miracle feet	-	78,352
Smile Train	-	322,180
Fistula Foundation	1,073,134	1,664,899
KFW	1,054,251	1,772,574
Engender Health	140,946	238,925
Community Action for People with Disabilities in Africa (CAPDA)	-	14,727
Equinor	212,863	205,610
MDH	6,788	32,855
TIGO (Currently known as Yas)	-	100,000
J&J	458,993	185,684
Hope & Healing TZCC	824,026	629,845
Faraja Fund Foundation	-	59,244
La Caixa	33,138	-
UNESCO	24,480	-
Transforming Cleft	5,943	-
	4,336,654	**6,609,920**

(b) In-Kind Donations

Other donors – Medicines and other consumable materials	1,175,602	573,808
Government – Medicines and other consumable materials	333,635	254,252
	1,509,237	**828,060**

7. REVENUE FROM EXCHANGE TRANSACTIONS

	2025 TZS '000	2024 TZS '000
Revenue from hospital services*	19,876,179	17,787,128
Revenue from advocacy consultation	4,750	48,070
Revenue from handcraft sales	279,321	272,187
Revenue from rehabilitation services – Moshi	153,153	211,941
Revenue from training fees – CCBRT Academy	143,829	223,059
Revenue from non-patient revenue	-	190,333
Insurance rejections*	(906,292)	(959,563)
	19,550,940	**17,773,155**

* Net revenue from hospital is therefore reported as TZS 18,969,887 thousand factoring the insurance rejections.

8. OTHER INCOME

	2025 TZS '000	2024 TZS '000
Refunds from Property Insurance Company	12,761	-
Other programme income	76,246	-
	89,007	-

9. OPERATING COSTS

	2025 TZS '000	2024 TZS '000
Cost of consumables	4,685,902	3,828,660
Patients' subsidies and individual aid	924,575	902,158
Clearing and forwarding costs	200,538	181,675
Training costs	121,121	178,713
Consultancy	63,706	423,493
Premises and utility costs	1,049,856	1,089,343
Repairs and maintenance	268,933	487,679
Security charges	122,899	104,733
Audit fee	193,839	102,615
Legal fee	-	54,546
Communication and advertisement	112,537	62,579
General and administration expenses	1,060,505	694,943
Transport and motor vehicles expenses	47,325	49,281
Bank charges	206,755	195,951
Stock revaluation account	67,095	-
	9,125,586	**8,356,369**

10. FINANCE INCOME AND COST

	2025 TZS '000	2024 TZS '000
a) Finance costs		
Interest expense on bank loan	404,557	473,166
Interest expense on overdraft facility	51,775	-
Insurance on loan	-	15,554
Net foreign exchange loss	1,403,640	1,000,793
	1,859,972	**1,489,513**
b) Finance income		
Interest income on call deposits	3	19,370
Net exchange gains	1,493,364	1,450,175
	1,493,367	**1,469,545**

11. EMPLOYMENT BENEFIT EXPENSES

	2025 TZS '000	2024 TZS '000
Salaries and wages	14,953,213	15,341,476
Social security funds contributions	2,843,756	2,879,378
	17,796,969	**18,220,854**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

12. PROPERTY AND EQUIPMENT

	Buildings	Motor vehicles	Motorcycles & bicycles	Equipment	Computers	Furniture & fittings	Tools and machinery	Capital work in-progress	Total
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
2025									
Balance as at 1 Jan 2025	69,958,860	151,563	8,592	4,291,430	1,041,718	1,529,140	1,300,619	113,735	78,395,657
Additions	180,726	-	-	791,109	119,768	3,216	307,415	90,927	1,493,161
Transfers to intangible assets	-	-	-	-	-	-	-	(100,435)	(100,435)
Depreciation charge*	(1,632,749)	(45,469)	(6,065)	(885,636)	(449,588)	(254,502)	(399,968)	-	(3,673,976)
Balance as at 31 Dec 2025	**68,506,837**	**106,094**	**2,527**	**4,196,903**	**711,898**	**1,277,854**	**1,208,066**	**104,227**	**76,114,406**
Cost/valuation	83,526,924	384,921	24,260	12,617,269	3,275,359	3,318,938	5,428,983	104,227	108,680,881
Accumulated depreciation	(15,020,087)	(278,827)	(21,733)	(8,420,366)	(2,563,461)	(2,041,084)	(4,220,917)	-	(32,566,475)
Net book value	**68,506,837**	**106,094**	**2,527**	**4,196,903**	**711,898**	**1,277,854**	**1,208,066**	**104,227**	**76,114,406**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

12 PROPERTY AND EQUIPMENT (CONTINUED)

	Buildings	Motor vehicles	Motorcycles & bicycles	Equipment	Computers	Furniture & fittings	Tools and machinery	Capital work in-progress	Total
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
2024									
Balance as at 1 Jan 2024	71,486,650	-	14,657	5,188,942	326,175	1,782,095	1,825,963	-	80,624,482
Additions	25,032	181,876	-	52,685	976,797	36,863	14,150	113,735	1,401,138
Transfers	-	-	-	-	3,556	-	-	-	3,556
Depreciation charge	(1,552,822)	(30,313)	(6,065)	(950,197)	(264,810)	(289,818)	(539,494)	-	(3,633,519)
Balance as at 31 Dec 2024	**69,958,860**	**151,563**	**8,592**	**4,291,430**	**1,041,718**	**1,529,140**	**1,300,619**	**113,735**	**78,395,657**
Cost/valuation	83,346,198	384,921	24,260	11,826,160	3,155,591	3,315,723	5,121,568	113,735	107,288,156
Accumulated depreciation	(13,387,338)	(233,358)	(15,668)	(7,534,730)	(2,113,873)	(1,786,583)	(3,820,949)	-	(28,892,499)
Net book value	**69,958,860**	**151,563**	**8,592**	**4,291,430**	**1,041,718**	**1,529,140**	**1,300,619**	**113,735**	**78,395,657**

*In 2024, CCBRT reassessed useful lives for its assets. As a result, there was a change in useful lives estimated for buildings from 25 years to 50 years. The change in useful lives has been considered as a change in estimate and has been applied prospectively. The change in useful lives resulted in a reduction in depreciation charge during the year by TZS 1.9 billion when compared to 2023.

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 of 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.

12. PROPERTY AND EQUIPMENT (CONTINUED)

The Organisation's buildings were revalued in 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
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. 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. 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. 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.	(i) Selling prices of pieces of land similar to the subject plots reviewed (ii) Depreciation (usually ranging from 5%, to 100% depending on the observed conditions of the building).

Fully depreciated assets

The following are fully depreciated assets.

	2025	2024
	TZS '000	TZS '000
Motor vehicles	203,046	102,042
Furniture and fittings	1,003,553	987,968
Equipment	4,542,610	4,306,959
Tools and machinery	2,336,585	1,553,559
Intangible assets	866,126	866,126
Computer & accessories	1,844,459	1,617,448
	10,796,379	**9,434,102**

13. INTANGIBLE ASSETS

	2025 TZS '000	2024 TZS '000
Opening net book value	85,458	143,535
Additions	1,628	-
Transfers from Working in Progress (WIP)	100,435	(3,556)
Amortization charge	(83,232)	(54,520)
	104,289	**85,459**
At 31 December		
Cost	1,195,423	1,093,360
Accumulated depreciation	(1,091,134)	(1,007,901)
Net book value	**104,289**	**85,459**

14. INVENTORIES

	2025 TZS '000	2024 TZS '000
Medical consumables	901,748	541,398
Non-medical consumables	358,390	81,241
Medicine	168,893	372,984
Optical devices and consumables	789,427	747,318
ICT stocked items	-	6,772
Handcraft items	7,712	3,870
Office stationery and consumables	19,575	30,250
Assistive devices materials	9,558	196,082
Raw materials (CBT)	40,680	34,830
Mabinti (Work in Progress) (CBT)	23,380	7,718
Biomedical materials	12,706	116,899
	2,332,069	**2,139,362**

The amount of inventories recognised as an expense and charged to the cost of consumables during the year is TZS 4,685,902,000 (2024: TZS 3,828,660,000).

Movement on the provision for inventory impairment:

	2025 TZS '000	2024 TZS '000
At 1 January	-	-
Writing off provision for expired drugs	-	-
At 31 December	-	-

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

15. TRADE AND OTHER RECEIVABLES

	2025 TZS '000	2024 TZS '000
Trade receivables (See Note 15(a))	1,895,158	1,602,515
Other receivables (See Note 15(b))	23,144	234,784
	1,918,302	**1,837,299**

(a) Trade receivables

	2025 TZS '000	2024 TZS '000
Recoverable from insurance companies	5,728,275	5,135,558
Less: Insurance rejections	(906,292)	(959,563)
Recoverable from insurance companies net of rejections	**4,821,983**	**4,175,995**
Due from Kupona Foundation	2,770,171	2,770,171
Total recoverable from trade receivables	**7,592,154**	**6,946,166**
Less: Provision for impairment losses	(2,926,825)	(5,343,651)
Less: Write-off for Kupona Foundation balance	(2,770,171)	-
	1,895,158	**1,602,515**

The movement in the provision for trade receivables is summarised below:

	2025 TZS '000	2024 TZS '000
At 1 January	5,343,651	5,157,250
Charged to surplus or deficit	353,345	186,401
Write-offs (Kupona balance)	(2,770,171)	-
At 31 December	**2,926,825**	**5,343,651**

(b) Other receivables

	2025 TZS '000	2024 TZS '000
Prepayments	153,438	53,971
Advances and imprest balances	10,921	14,551
Accrued revenue	-	45,778
Other receivables	627,598	632,225
Less: Provision for impairment losses	(768,813)	(511,741)
	23,144	**234,784**

The movement in provision for other receivables is summarised below:

	2025 TZS '000	2024 TZS '000
At 1 January	511,741	504,535
Charged to surplus or deficit	258,911	7,206
Write-offs	(1,839)	-
At 31 December	**768,813**	**511,741**

(c) Impairment charge

	2025 TZS '000	2024 TZS '000
Impairment charge on trade receivables (Note 15(a))	353,345	186,401
Impairment charge on other receivables (Note 15(b))	257,072	7,206
At 31 December	**610,417**	**193,607**

16. GRANT RECEIVABLES

	2025 TZS '000	2024 TZS '000
Light for the World	-	50,677
EngenderHealth	-	41,503
UNESCO	4,896	-
	4,896	**92,180**

17. CASH AND CASH EQUIVALENTS

	2025 TZS '000	2024 TZS '000
Cash at bank	1,504,506	2,727,378
Mobile Network Operator	4,331	-
Cash on hand	3,036	2,537
	1,511,873	**2,729,915**
Provision for loss allowance	-	-
Net cash and cash equivalents (SFP)	**1,511,873**	**2,729,915**
Adjusting with Overdraft	(432,522)	-
Net Cash and cash equivalents disclosed in the **cashflow**	**1,079,351**	**2,729,915**

Expected loss on bank balances has been assessed as low as cash has been deposited in reputable banks and thus management is confident that the amount held with the bank is not exposed to losses.

18. BORROWINGS

	2025 TZS '000	2024 TZS '000
Non-Current		
Bank borrowings	4,142,791	4,834,949
	4,142,791	**4,834,949**
Current		
Bank borrowings	777,712	748,749
Bank Overdraft	432,522	-
	1,210,234	**748,749**
Total borrowings	**5,353,025**	**5,583,698**

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

	2025 TZS '000	2024 TZS '000
At 1 January	5,583,698	6,535,090
Additional loan (Overdraft facility in 2025)	432,522	154,700
Interest expenses	456,332	488,720
Repayment of interest	(385,414)	(612,891)
Repayment of principal	(738,247)	(712,989)
Unrealised exchange loss	4,134	(268,932)
At 31 December	**5,353,025**	**5,583,698**

During the year 2025, the Organisation secured an overdraft facility from CRDB Bank PLC of TZS 800 million at 15% interest rate per annum. The organisation used TZS 432,522 thousand as of 31 December 2025.

Bank borrowings comprise 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.

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. The transfer process from Trustee to the NGO is underway by the Ministry of Land, Dodoma office in United Republic of Tanzania.

18. BORROWINGS (CONTINUED)

Amount of loan: USD 3,000,000

Repayment period: 120 months from the takeover 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

In March 2024, the Organisation secured an insurance loan from CRDB Bank Plc to finance the insurance premium payment covering Motor and Non-Motor properties as indicated below;

Amount of insurance loan: TZS 154,700,242

Repayment period: 12 months

Maturity date: 2025/03/25 (Renewed with MUA Insurance company in 2026)

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

19. DEFERRED GRANTS INCOME

Donor	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
2025							
CBM 4225	TZS	62,474	-	(59,318)	(3,196)	40	-
CBM 4226	TZS	-	183,817	(138,769)	-	-	**45,048**
Equinor Tanzania 23-25	USD	10,106	205,200	(212,863)	-	7,148	**9,591**
Hope and Healing - 205.7	TZS	3,559	-	-	-	(3,559)	-
Hope and Healing - 205.9	TZS	-	332,472	(332837)	-	365	-
Hope and Healing - 205.9.1	TZS	100	-	-	-	(100)	-
Hope and Healing - 205.10	TZS	-	333,174	(300,619)	-	0	**32,555**
Hope and Healing - 205.11	TZS	-	313,125	(190,571)	-	0	**122,554**
Light for the World	EUR	-	270,830	(285,121)	-	14,291	-
DANIDA	DKK	3,535	-	-	-	526	**4,061**
Smile Train	USD	-	12,154	-	-	54	**12,208**
Kupona Foundation - 408.1	USD	-	18,735	(18,884)	-	149	-
KfW	EUR	1,031,097	1,718,889	(1,054,251)	(891,700)	(49,154)	**754,881**
EHfK	EUR	170,767	-	-	-	25,666	**196,433**
DFATD/GAC	CAD	20,964	-	-	-	1,547	**22,511**
Fistula Foundation 2025	USD	-	1,110,045	(1,073,134)	-	(36,191)	-
J&J Fistula 24/25	USD	455,420	-	(458,993)	-	32,021	**28,446**
EngenderHealth - 514.1	USD	-	199,098	(140,946)	-	(5,098)	**53,054**
La Caixa	EUR	-	454,365	(33,138)	(724)	(22,815)	**397,688**
UNESCO	TZS	-	19,584	(24,480)	4,896	-	-
MDH	TZS	9,601	-	(6,788)	-	-	**2,813**
TOTAL		**1,767,623**	**5,177,488**	**(4,330,712)**	**(890,724)**	**(35,110)**	**1,682,565**

Deferred revenue grant relates to funds received in advance for implementation of project activities. The balance is classified as current since most of the activities are to be implemented just after the year end.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

19. DEFERRED GRANTS INCOME (CONTINUED)

Donor	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
2024							
Deutsche Gesellschaft fur Internationale Zusammernarbeit (GIZ)	EUR	59,467	-	-	(67,991)	8,524	-
CBM 4225	TZS	6,955	169,974	(114,455)	-	-	**62,474**
IRISH AID	EUR	759,757	-	(759,757)	-	-	-
TIGO	TZS	-	100,000	(100,000)	-	-	-
Equinor Tanzania 23-25	USD	-	217,945	(205,610)	-	(2,229)	**10,106**
Hope and Healing - 205.7	TZS	29,896	280,869	(307,206)	-	-	**3,559**
Hope and Healing - 205.8	TZS	-	25,533	(25,032)	-	(501)	-
Hope and Healing - 205.9	TZS	-	294,076	(294,173)	-	97	-
Hope and Healing - 205.9.1	TZS	-	3,535	(3,435)	-	-	**100**
Light for the World	EUR	78,012	69,157	(204,418)	56,972	277	-
DANIDA	DKK	-	8,948	(4,224)	-	(1,189)	**3,535**
Kupona Foundation - 408.1	USD	(0)	71,968	(73,315)	-	1,347	-
Kupona Foundation - 408.2	USD	5,392	-	(5,425)	-	33	-
KfW	EUR	1,865,858	263,721	(1,021,394)	-	(77,088)	**1,031,097**
EHfK	EUR	190,119	-	-	-	(19,352)	**170,767**
DFATD/GAC	CAD	23,867	-	-	-	(2,903)	**20,964**
J&J	USD	180,405	-	(185,684)	-	5,279	-
Fistula Foundation 2024	USD	-	1,638,692	(1,639,424)	-	732	-
J&J Fistula 24/25	USD	-	465,510	-	-	(10,092)	**455,418**
J&J Fistula	USD	134,059	-	(143,432)	-	9,373	-
EngenderHealth - 514	USD	9,592	187,035	(193,901)	-	(2,726)	-
EngenderHealth - 514.1	USD	-	-	(45,024)	45,024	-	-
Faraja Fund Foundation	TZS	64,725	-	(59,244)	-	(5,481)	-
MDH	TZS	-	43,345	(32,490)	(1,252)	-	**9,603**
CAPDA	USD	14,103	-	(14,727)	-	624	-
TOTAL		**3,422,207**	**3,840,308**	**(5,432,370)**	**32,753**	**(95,275)**	**1,767,623**

Deferred revenue grant relates to funds received in advance for implementation of project activities. The balance is classified as current since most of the activities are to be implemented just after the year end.

20. TRADE AND OTHER PAYABLES

	2025 TZS '000	2024 TZS '000
Trade payables	4,871,864	3,736,760
Staff related liabilities	860,786	99,734
Accruals	448,870	671,985
Mabinti Shop	793	1,561
Statutory liabilities	976,050	574,659
Advance payments-cost sharing from patients	318,734	280,374
NSSF penalty	1,116,913	1,116,913
	8,594,010	**6,481,986**

21. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Commitments

As at the year end, there were no committed capital expenditures.

Contingent liability

There are no contingent liabilities that were outstanding as at the year end.

22. RELATED PARTY TRANSACTIONS 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:

	2025 TZS '000	2024 TZS '000
Salaries	1,224,584	981,413
	1,224,584	**981,413**

Governing Board members' remuneration

No remuneration was paid to members of the Governing Board.

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.

However, in April 2025, CCBRT ended the relationship with Kupona Foundation.

22. RELATED PARTY TRANSACTION AND BALANCES (CONTINUED)

Material related party balances and transactions (Continued)

	2025 TZS '000	2024 TZS '000
a) Related party transaction during the period		
Grant revenue from Kupona Foundation	18,884	78,740
c) Related party balances as at year ended		
Due from Kupona Foundation*	-	2,770,171
Due to Kupona Foundation	-	-

**The amount is fully impaired and written off during the year as indicated in Note 15 (a).*

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 (2024: Nil).

Deferred tax

At 31 December 2025, the Organization has deferred tax asset of TZS 23.09 billion (2024: TZS 21.96 billion). The movement in the deferred tax account is as follows:

	2025 TZS '000	2024 TZS '000
1 January	21,959,150	20,142,884
Prior year deferred tax credit overprovision	(913,379)	(914,583)
Deferred tax credit for the year	2,046,043	1,815,721
31 December	**23,091,814**	**21,044,022**

The composition of the deferred tax assets at 31 December 2024 is as shown in the table below:

	2025 TZS '000	2024 TZS '000
Temporary difference from property and equipment	7,965,003	5,858,446
Revaluation gain	2,996,603	3,126,486
Unrealised foreign exchange losses	362,626	817,010
Trade receivables impairment	(3,695,638)	(5,855,392)
Losses carried forward	(84,601,306)	(74,093,289)
Total giving rise to a deferred tax asset	**(76,972,712)**	**(70,146,739)**
Provision for deferred tax asset at 30%	**(23,091,814)**	**(21,044,022)**

A deferred tax asset for unused tax losses and deductible temporary differences has not been recognised as it is not probable that future taxable surplus will be available against which they can be utilised and CCBRT is a charitable organisation that stands a low chance of claiming the income tax from TRA.

24. FAIR VALUE MEASUREMENTS

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

	Carrying amount	Amortized cost financial assets	Amortized cost financial liabilities
	TZS'000	TZS'000	TZS'000
2025			
Financial assets not measured at fair value			
Trade receivables (Note 15)	1,895,158	1,895,158	-
Grant receivable	4,896	4,896	-
Cash and cash equivalents	1,511,873	1,079,351	-
	3,411,927	**2,979,405**	-
Financial liabilities not measured at fair value			
Trade and other payables*	5,320,734	-	5,320,734
Borrowings	5,353,025	-	5,353,025
	10,673,759	-	**10,673,759**
2024			
Financial assets not measured at fair value			
Trade receivables (Note 15)	1,602,515	1,602,515	-
Grant receivable	92,180	92,180	-
Cash and cash equivalents	2,729,915	2,729,915	-
	4,424,610	**4,424,610**	-
Financial liabilities not measured at fair value			
Trade and other payables *	4,408,745	-	4,408,745
Borrowings	5,583,698	-	5,583,698
	9,992,443	-	**9,992,443**

**Trade and other payables do not include accruals, advance payments by customers, NSSF penalty and December statutory liabilities amounting to TZS 3,273,276,000 (2024: TZS 2,073,241,000).*

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 falls 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.

24. FAIR VALUE MEASUREMENTS (CONTINUED)

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, and loans have an interest rate approximately equal to the market rate; hence, they are presented under "Financial assets/liabilities not measured at fair value".

25. GOING CONCERN

During the year, the Organisation incurred a deficit of TZS 5,090 million (2024: TZS 4,881 million). As at year end, the Organisation reported a net current liability position of TZS 5.7 billion (2024: net current liability of TZS 2.2 billion).

In addition, there has been a significant decline in traditional donor funding in recent years due to the uncertainties in the geopolitical landscape. This has resulted in the Organisation's expenditure growth outpacing revenue growth.

These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Organisation's ability to continue as a going concern.

To address this uncertainty, Management and the Board of Governors have implemented the following mitigation measures:

- **Diversification of revenue streams:** Management continues to strengthen internally generated income through initiatives such as the operation of evening clinics, enhancement of patient flow processes to increase capacity for cash-paying patients, renegotiation of contracts with visiting consultants, and optimisation of the usage of renovated general wards due to their affordability. Additionally, selected rooms in the new facility are being converted into semi-private wards, which is expected to increase surgical volumes and overall revenue.

- **Implementation of HMIS:** In April 2025, the Organisation acquired a Hospital Management Information System (HMIS), namely Health AI, which is expected to improve operational efficiency, including reducing NHIF claim rejection rates to below 5% per month.

- **Strengthening supplier partnerships:** The Organisation continues to enhance relationships with key partners to ensure a reliable supply of essential services, including medicines and maintenance of critical equipment.

- **Access to financing:** The Organisation has secured an overdraft facility of TZS 3.7 billion to support ongoing operational requirements.

- **Enhanced fundraising initiatives:** Management has intensified efforts to increase contributions from donors and stakeholders through targeted marketing campaigns, strengthened engagement to secure CSR/CSI support, expanded media-based fundraising initiatives, and reinforcement of the resource mobilisation function with a focus on flexible funding. For example, the Azam Media Campaign, launched on 3 June 2026, aims to raise public funds to support treatment for disadvantaged groups.

- **Government engagement:** Management and the Board continue to engage with the Government to secure increased support. Discussions are ongoing regarding the Organisation's potential designation as a National Centre of Excellence for Rehabilitation Services, which is expected to improve long-term sustainability. As part of this engagement:

    - The Government provided TZS 1,778 million in May 2026 for capital investments, including CT scan equipment, eye care equipment, and an endoscopic diagnostic machine.

    - On 3 June 2026, the Organisation signed a Service Level Agreement (SLA) with the Government to provide manpower support to the hospital.

25. GOING CONCERN (CONTINUED)

However, if the Organisation is not able to successfully implement the enhanced fundraising initiatives including the government support which form a significant basis for the cash flow projections for the next twelve months, a material uncertainty may exist which may cast significant doubt about the Organisation's ability to continue as a going concern and, therefore that it may be unable to discharge its liabilities in the normal course of business.

Notwithstanding the above, the Governing Board believes that the identified mitigation actions are achievable and has concluded that the use of going concern assumption is appropriate in the preparation of financial statements.

26. 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.