



**Health Improvement Project Zanzibar**

**Report and Financial Statements  
For the Year Ending 30 June 2022**

**Charity number 1171687  
Company number 10168369**

# **Health Improvement Project Zanzibar (A company limited by guarantee)**

## **Financial Statements For the year ending 30<sup>th</sup> June 2022**

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# **1 Legal and Administrative Information**

## **HIPZ (Health Improvement Project Zanzibar)**

Report of the Board of Directors for the year ending 30th June 2022. The Board of Directors presents its directors' and trustees' report and independently examined financial statements for the year ending 30 June 2022.

### **Reference and Administrative Information**

Charity Name: HIPZ (Health Improvement Project Zanzibar)

Charity registration number: 1171687

Company registration number: 10168369

### **Registered address:**

Applecombe Cottage,

Wild Oak Lane, Trull

Taunton

TA3 7JS, UK

### **Board of Directors/Trustees**

Chair: Dr Ruairaidh MacDonagh

Treasurer: Ian Franklin

Secretary: Caitlin Farrow

Dr Nicholas Campaign

Susie Moore

Dr Jon Rees (Resigned 28<sup>th</sup> April 2022)

Laura Cunningham

Michael Sugden

Dr Nicola Biggs

### **Operational Team**

UK Operations and Development Director (UK): Jess Price

Bookkeeper (UK, Freelance): Anna Kwar

Programme Director (Zanzibar): Simon Kühnert

Clinical Operations Director (Zanzibar): Jabir James Ayindo

Finance Manager (Zanzibar): Zainab Ahmed Yussuf

Partnerships Advisor (Zanzibar): Pamela Allard

Mental Health Coordinator (Zanzibar): Haji Hafidh Fatawi

Monitoring & Evaluation Officer (Zanzibar): Dr. Zubeda Suleiman Ngware

### **External Accountants**

SPX Oxford Ltd

Peace House

19 Paradise Street

Oxford

OX1 1LD

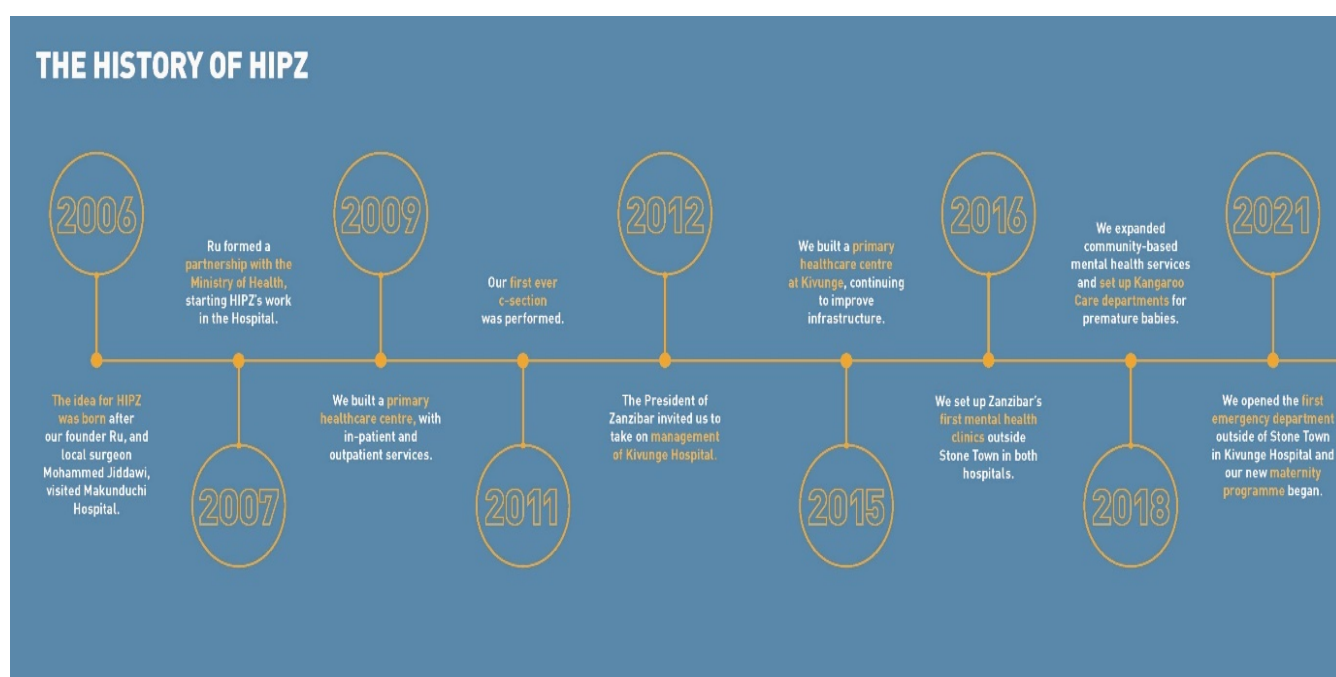
### **Bank**

## 2 Trustees Report

### 2.1 Background

Health Improvement Project Zanzibar (HIPZ) was founded in 2006. It is a Private Company Limited by Guarantee and a charity registered with the Charity Commission for England and Wales. In Zanzibar, HIPZ has a registered branch which is governed by the same Articles of Association and policies.

In the initial years the partnership between the Zanzibar Ministry of Health and HIPZ focused on the development and management of rural hospitals. With time the scope evolved to strengthen the wider health system in Zanzibar.



### 2.2 The context

Zanzibar is a semi-autonomous archipelago of the United Republic of Tanzania. It consists of two large islands, Unguja and Pemba and several small islands. Zanzibar's population stands at around 1.8 million people. Around half of the population is under 18 years old. Basic needs poverty affects 26% of the population (30% of the under 17s).

#### Zanzibar Performance towards Sustainable Development Goals (SDG) 3 targets

| SDG Indicator                                   | Zanzibar                 | SDG Target 2030          |
|---|--------------------------|--------------------------|
| Under-five mortality rate per 1,000 live births | 56 per 1,000 live births | 25 per 1,000 live births |

|  |   |                            |
|--|---|----------------------------|
| Neonatal mortality rate per 1,000 live births    | 28 per 1,000 live births  | 12 per 1,000 live births   |
| Maternal Mortality ratio per 100,000 live births | 118 per 100,000 live births (only includes institutional mortality) | 70 per 100,000 live births |

Zanzibar has made significant gains in human resources for health in recent years/over the last 10 years. Currently, one doctor serves a population of 4,445 and one nurse serves a population of 1,258. However, these ratios remain well below the World Health Organisation (WHO) recommendations (of 2.5 skilled healthcare workers per 1,000). Furthermore, 60% of the health workforce work in urban areas where only 18% of the population resides, meaning there is still significant disparity in accessing healthcare for the majority of the population who live in rural areas.

The total health expenditure is approximately 3% of the Gross Domestic Product (GDP), falling below the WHO recommendation of at least 5% to achieve Universal Healthcare Coverage. The global COVID pandemic has hit the Zanzibar economy especially hard as the country relies heavily on tourism. The Ministry of Health only implemented 84% of its budget, and as a result there is a gap in the service provision. Therefore, people are frequently forced to spend their own funds on additional healthcare and out of pocket expenditure on healthcare in Zanzibar is high.

## 2.3 Our Aims and Objectives

HIPZ aims to strengthen the Zanzibari healthcare system. It is our mission to make it possible for all people in Zanzibar to access high quality healthcare to achieve our vision of a healthy population in Zanzibar.

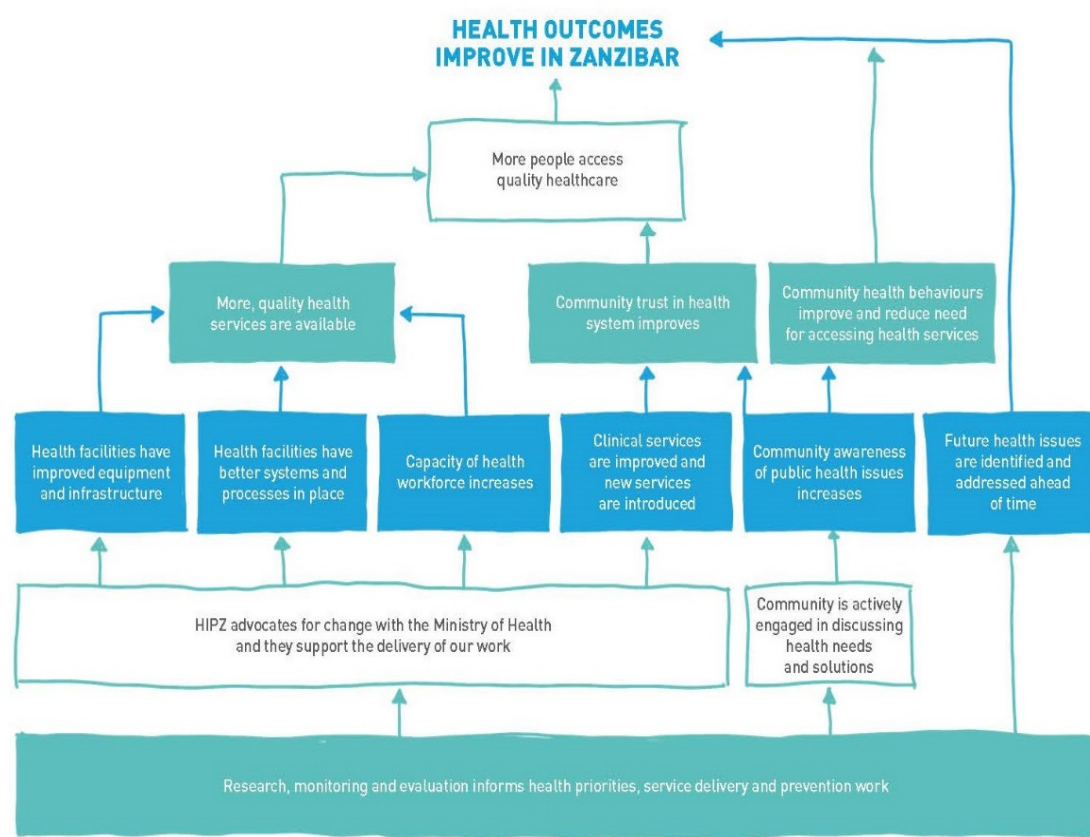
## 2.4 How we work

Our HIPZ model has been tried and tested over the past 15 years. This model is our blueprint for how healthcare can be transformed in resource-poor environments. We believe this has the potential to make a difference not just in Zanzibar, but on a global scale.

Our works is derived from our values:

- We put patients first
- We are locally rooted and locally led
- We work for equitable, equal and consistent healthcare
- We are collaborators
- We create long-term, cost-effective, evidence-based solutions
- We have a whole health system approach

Based on these values and our in-depth understanding we have developed our theory of change to improve health outcomes in Zanzibar.



### *HIPZ Theory of Change*

This model focuses around six pillars:

1. Build workforces. We train healthcare workers in all areas, equipping them with the knowledge and skills to take ownership of their services.
2. Expand Services. In line with the Zanzibar Essential Healthcare Package, we listen to the medical needs of the community and find cost-effective, evidence-based solutions to introduce impactful change.
3. Develop Infrastructure. We improve the structural condition of health facilities and fill gaps in equipment and consumables.
4. Work with the community. We learn from the community and share our experience to reduce barriers to positive health seeking behaviour.
5. Invest in research. We invest in locally relevant health research and share it with the global health community to improve health services delivery not just in Zanzibar, but around the world.
6. Strengthen systems. We co-develop processes, policies and strategies in collaboration with the government, health facilities and other development partners to improve care and create long-lasting change.

All this work is delivered in close partnership with the Zanzibar Government to ensure local ownership, alignment with national policies and priorities as well as sustainability of our programmes.

## 2.5 Performance and Achievements

We are proud of the impact we have made in Zanzibar since we were founded. The following statistics demonstrate the breadth and depth of that impact, delivered by HIPZ together with the Ministry of Health. Most of our work has been achieved through the hospitals in Makunduchi and Kivunge, and the surrounding primary healthcare facilities.

1. More than 27,500 infants and children are treated every year in the two hospitals we work in.
2. Since 2007 more than 614,000 surgical procedures have been carried out in Kivunge and Makunduchi hospitals
3. Over 500 new patients are supported through our mental health projects every year.
4. Our community outreach work has provided health education to over 400,000 people on topics including pre- and post-natal care, mental health and nutrition.
5. More than 1,432 Caesarean-sections have been carried out in the hospitals – a procedure that was only available in Stone Town up until 2011, making it inaccessible for women in the rural communities due to distance and lack of transport infrastructure.
6. Every year more than 5,000 patients receive eye treatment in the ophthalmic clinics of Kivunge and Makunduchi hospitals.
7. The number of doctors working in both hospitals has increased from 0 in 2007 to 43 in 2022.
8. We have provided training for over 1,000 healthcare workers in areas including mental health, surgery, anaesthesia, hospital management and emergency medicine.
9. We have renovated more than 20 wards across the two district hospitals.
10. In 2007, only 1,200 babies were born in Makunduchi and Kivunge Hospitals. By 2021, that had increased to over 5,700 babies.

### Key achievements in the year

We aim to achieve our goals in alignment with the development agenda of the Zanzibar Government. As in previous years, the core of our work has supported the management and development of Makunduchi and Kivunge District Hospitals in Unguja as well as the service provision in the surrounding health facilities. In total we have supported 27 health facilities across Zanzibar.

A summary of the key achievements in the following areas reflecting the financial categories in note 8 of the financial statements:

1. Capacity Building
2. Equipment and Infrastructure
3. Policy advocacy and system strengthening
4. Preventive Services and work in the community

### Capacity Building

We are building the capacity of the health workforce. We have trained over 500 health workers in various fields from Reproductive, Maternal, Neonatal, Child and Adolescent Health (RMNCAH), Emergency Care, Hospital Management, Quality Improvement, Mental Health, Infection Prevention and Control, Surgery, Anesthesia and Theatre Management among others. We have done this through mentorship, on-the-job-training as well as formal short and long-term training. Two nurses successfully graduated from their studies in anesthesia, which is a bottleneck area in delivering 24/7 Comprehensive

Emergency Obstetric and Newborn Care (CEmONC) and other surgical services at Makunduchi Hospital.

### **Equipment and Infrastructure**

HIPZ invested in the development of the infrastructure and provision of pharmaceuticals and equipment.

We have supported continuous maintenance by engaging a biomedical engineer who is delivering training of end-users, technicians and setting up a pre-planned maintenance plan at the second line facilities. Among others we have repaired vital equipment such as anesthetic machines, and laboratory equipment. To alleviate the shortages in essential consumables we are procuring life-saving commodities for the hospitals.

In addition, we have focused on the refurbishment and extension of the Kivunge Laboratory. These works ensured Infection Prevention and Control (IPC) standards and created space for new departments such as Microbiology.

We have refurbished the old Maternity ward at Kivunge Hospital to become a dedicated Emergency Department and equipped it. It now has a dedicated waiting area, triage, three consultation rooms, two treatment areas with a capacity of six beds as well as an isolation facility. It is the first Emergency Department in Unguja outside of the capital.

We have renovated and equipped the surgical theatre in the Maternity wing at Kivunge Hospital ensuring the functionality of a dedicated theatre for pregnant women.

### **Policy advocacy and system strengthening**

HIPZ has exceptional stakeholder relationships across the health sector, local, regional and national government as well as in the community.

We have supported the development of various key documents such as the Zanzibar Health Sector Strategic Plan, the Zanzibar Essential Healthcare Package and the National Referral Guideline.

We have participated in the Zanzibar Development Partners Group for Health and Nutrition, as well as in Technical Working Groups of the Ministry of Health. Further we have continued to contribute to the Zanzibar Health Basket Fund. We also have been appointed as a member of Zanzibar Multisectoral Coordinating Committee on Antimicrobial Resistance and have been elected as an alternate representative of International NGOs to the Zanzibar Global Fund Country Coordinating Mechanism.

### **Preventive Services and work in the community**

As a result, we have dramatically improved the accessibility of mental health services in North A, North B, Central and South Districts of Unguja by decentralizing mental health services. We are in the process of training over 160 Community Health Volunteers (CHVs) and over 60 CVH Supervisors in 'Dawati Rafiki' in each Shehia (smallest administrative area in Zanzibar) in North A and South District. Dawati Rafiki is a problem-solving evidence-based therapy devised in Zimbabwe to support beneficiaries with anxiety and depression, delivered by CHVs.

We have delivered the first integrated mental health outreach in Zanzibar together with the Ministry of Health. In total we delivered 22 outreaches reaching over 3,600 people.



We have also partnered with the Rotary Club of Stone Town and Urban Care to deliver Breast Cancer Outreach Camps.

### **Future plans**

We aim to strengthen Emergency Care in the Northern and Southern Regions of Unguja. Therefore, we want to build the capacity of the human resources for health in emergency care, improve referral system including the establishment of an ambulance boat for hard-to-reach islands as well as constructing a dedicated Emergency Department at Makunduchi Hospital.

Another focus is strengthening the diagnostic capacity of Makunduchi Hospital by constructing a laboratory, procuring equipment for new departments such as clinical microbiology and training laboratory staff.

In order to address the increasing burden of non-communicable diseases (NCDs) we aim to deliver a project tackling hypertension. We plan to continue working on RMNCAH.

We aim to scale up our RMNCAH programme to new districts including Pemba as well as adding a community component to increase positive health seeking behaviour.

Lastly, we want to conduct more locally driven medical research in Zanzibar to generate evidence and build the research capacity in isles.

## **2.6 Structure, Governance and Management**

We take our financial and governance responsibilities seriously. This is particularly important to support our work in Zanzibar and ensure the money we spend there is used as effectively as possible.

In line with Charity Commission and Companies House requirements our accounts are independently examined annually and published on the relevant websites. We have a part-time bookkeeper, and plan to recruit a Finance Director in the UK in 2022 – 23; and a Finance Manager and a Programme Director who oversee our finances in Zanzibar. We have a small fundraising and partnership team who lead our fundraising activity to ensure incoming funds support the vital activities in Zanzibar.

All activities are overseen by the Trustees, a number of whom also provide operational support to the management team. Our board of Trustees scrutinise our finances at quarterly meetings and discuss the risks to the charity via our risk register.

We have two sub-committees supporting the work of the Board – the Finance, Audit and Governance Committee and the Medical Advisory Group. These groups report to the Board of Trustees and have been a great support to the trustees over the year.

### **Governing Document**

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006. The charity also has a Memorandum of Understanding with the Zanzibar Government allowing it to operate in the two hospitals.

### **Directors/Trustees**

Our board of trustees is made up of experienced professionals from a range of backgrounds, including senior clinicians, communications and marketing, finance, charity and business planning.

Since we were incorporated in 2016, the trustees of the charity are also directors of the company. All directors give their time voluntarily and received no benefits from the charity. There were no trustees' remuneration or other benefits paid for the year ended 30 June 2022.

Recruitment to the board of trustees is skills-based, and we regularly review the skills and experience we have represented on the board. In the last financial year one trustee stood down and we are in the process of recruiting new trustees to the board.

Trustees gain knowledge from other trustees and HIPZ staff and keep up to date with the role of the trustee using Charity Commission guidance. Trustees are encouraged to oversee specific areas of interest, for example finance, events, fundraising or planning.

### **Risk Management**

Risk is discussed at all levels of the organisation, and at the strategic level is overseen by an organisational risk register. The risk register is discussed regularly at the Finance, Audit and Governance Committee and with the Board of Trustees.

## **2.7 Financial Review**

### **Financial Performance 2021-22\***

Income for the year at £500k was +8% higher than budgeted and represented a +37% increase from 2020-21. The majority of the additional income, compared to the previous year, came from Trusts and Foundations.

Expenditure for the year at £518k was aligned with the budget in total and represented a +50% increase compared to 2020-21. The higher spend was mostly in the areas of capacity building and quality improvement as well as preventative services.

The small surplus of expenditure vs income at -£17k was slightly lower than budgeted and resulted in a net asset position of £117k at the end of 2021-22

*\* Prior year figures for 2020-21 were for a 15-month period due to realignment of the financial year period*

### **Principal Funding Sources**

Our income sources for this financial year were:

- Trusts and Foundations 62%
- Major Donors 4%
- Individuals & Regular Gifts 9%
- Corporate support 13%
- Statutory 9%
- Community and Events 2%

We continue to work hard to build up a portfolio of long-term supporters from a range of funding sources.

### **Investment Policy**

The charity does not have any investments.

## **Reserves Policy**

The reserves policy is designed to maintain a sufficient level of unrestricted funds to enable the charity to close down should it be required to. It allows for six months of basic operations to continue and would give time for staff in Zanzibar to make alternative employment arrangements. It is based upon the cost of three months' predictable liabilities.

The policy allows HIPZ to actively manage our finances and ensure we have the capacity to weather unforeseen financial problems.

## **Auditors / Independent examiner**

SPX Accounting were appointed to conduct the independent examination of these accounts.

This report has been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

In Zanzibar, Hybrid Assurance was appointed to conduct the audit of HIPZ in Zanzibar. The audit was conducted in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants.

In the opinion of the auditor the financial statements presented for Zanzibar presented a true and fair view of the state of affairs of HIPZ, as at 30 June 2022 and for the period then ended, accordance with International Public Sector Accounting Standards issued by the Public Sector Committee of the International Accounting Standards issued by the International Accounting Standards Board.

Approved by the directors on 15<sup>th</sup> March 2023

and signed on its behalf by:



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Ru Macdonagh (Mar 15, 2023, 5:32pm)

Dr Ruaraidh MacDonagh  
Chair of the board of Trustees

### **3 Independent Examiner's Report to the members of HIPZ (Health Improvement Project Zanzibar) for the year ended 30 June 2022**

**FOR THE PERIOD ENDED 30 JUNE 2022**

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I report to the charity trustees on my examination of the accounts of the Company for the period ended 30 June 2022, which are set out in pages 14-22.

#### **RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER**

As the charity's trustees of the Company (who are also the directors of the company for the purposes of company law), you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").

#### **BASIS OF INDEPENDENT EXAMINER'S REPORT**

Having satisfied myself that the accounts of the Company are not required to be audited for this period under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ("the 2011 Act"). In carrying out my examination, I have followed the Directions given by the Charity Commission (under section 145(5)(b) of the 2011 Act).

#### **INDEPENDENT EXAMINER'S STATEMENT**

The company's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Chartered Institute of Certified Accountants.

I have completed my examination. I confirm that no material matters have come to my which gives me cause to believe that:

- accounting records were not kept in accordance with section 386 of the Companies Act 2006; or
- the accounts do not accord with such records; or
- the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the Charities SORP (FRS102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Surinder Singh FCCA

SPX Oxford Ltd  
19 Paradise Street  
Oxford OX1 1LD

Date ..... 16/03/2023



## Statement of Financial Activities

### FOR THE PERIOD ENDED 30 JUNE 2022

|                                    | Note | Unrestricted<br>£ | Restricted<br>£ | Total<br>2022<br>£ | Unrestricted<br>£ | Restricted<br>£ | Total<br>2021<br>£ |
|------------------------------------|------|-------------------|-----------------|--------------------|-------------------|-----------------|--------------------|
| <b>Income</b>                      |      |                   |                 |                    |                   |                 |                    |
| Donations and legacies             | 3    | 100,604           | 398,414         | 499,018            | 265,440           | 99,976          | 365,416            |
| Other                              |      | 1,636             | 1               | 1,637              | 813               | -               | 813                |
| <b>Total income</b>                |      | <b>102,240</b>    | <b>398,415</b>  | <b>500,655</b>     | <b>266,253</b>    | <b>99,976</b>   | <b>366,229</b>     |
| <b>Expenditure</b>                 |      |                   |                 |                    |                   |                 |                    |
| Fundraising costs                  | 4    | 26,823            | 47,462          | 74,285             | 45,422            | -               | 45,422             |
| Charitable activities              | 5    | 122,176           | 323,812         | 445,988            | 207,053           | 93,117          | 300,170            |
| <b>Total expenditure</b>           |      | <b>148,999</b>    | <b>371,274</b>  | <b>520,273</b>     | <b>252,475</b>    | <b>93,117</b>   | <b>345,592</b>     |
| <b>Net income/ -expenditure</b>    |      | <b>- 46,759</b>   | <b>27,141</b>   | <b>- 19,618</b>    | <b>13,778</b>     | <b>6,859</b>    | <b>20,637</b>      |
| <b>Transfers between funds</b>     |      | <b>22,806</b>     | <b>- 22,806</b> | <b>-</b>           | <b>-</b>          | <b>-</b>        | <b>-</b>           |
| <b>Net movement in funds</b>       |      | <b>- 23,953</b>   | <b>4,335</b>    | <b>- 19,618</b>    | <b>13,778</b>     | <b>6,859</b>    | <b>20,637</b>      |
| <b>Reconciliation of funds:</b>    |      |                   |                 |                    |                   |                 |                    |
| Total funds brought forward        |      | 89,126            | 45,323          | 134,449            | 75,348            | 38,464          | 113,812            |
| <b>Total funds carried forward</b> |      | <b>65,173</b>     | <b>49,658</b>   | <b>114,831</b>     | <b>89,126</b>     | <b>45,323</b>   | <b>134,449</b>     |

The Statement of Financial Activities includes all gains and losses in the period and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on pages 16 to 22 form part of these financial statements.

## Balance Sheet

### AS AT 30 JUNE 2022

|   | Note     | 2022<br>£       | 2022<br>£      | 2021<br>£       | 2021<br>£      |
|---|----------|-----------------|----------------|-----------------|----------------|
| <b>Tangible fixed assets</b>                                | <b>7</b> |                 | 13,278         |                 | 6,588          |
| <b>Current assets</b>                                       |          |                 |                |                 |                |
| Debtors   | 8        | 5,527           |                | 4,705           |                |
| Cash at bank and in hand                                    |          | 108,722         |                | 134,111         |                |
|   |          | <u>114,249</u>  |                | <u>138,816</u>  |                |
| <b>Creditors: amounts falling due within one year</b>       | <b>9</b> | <u>- 12,696</u> |                | <u>- 10,955</u> |                |
| <b>Net current assets</b>                                   |          |                 | 101,553        |                 | 127,861        |
| <b>Creditors: amounts falling due in more than one year</b> |          |                 | -              |                 | -              |
| <b>Net assets</b>   |          |                 | <u>114,831</u> |                 | <u>134,449</u> |
| <b>Funds</b>  |          |                 |                |                 |                |
| Restricted funds  | 10       |                 | 49,658         |                 | 45,323         |
| Unrestricted funds general                                  | 11       |                 | 65,173         |                 | 89,126         |
| Total charity funds   |          |                 | <u>114,831</u> |                 | <u>134,449</u> |

For the period ended 30 June 2022 the charitable company was entitled to exemption from audit under section 477 of the Companies Act 2006.

Trustees responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the period in question in accordance with section 476; and
- The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements were approved by the members of the committee and authorised for issue on ..... and are signed on their behalf by Dr Ruairadh MacDonagh, Chairman and Trustee.

Trustee:

## 2.8 Statement of Cash Flows

### FOR THE PERIOD ENDED 30 JUNE 2022

|  | Note | 2022<br>£ | 2021<br>£ |
|--|------|-----------|-----------|
| Cash used in operating activities                            | 14   | - 17,734  | 23,467    |
| Cash flows from investing activities                         |      |           |           |
| Purchase of fixed assets                                     |      | - 7,655   | - 405     |
| Cash provided by (used in) investing activities              |      | - 7,655   | - 405     |
| Increase (decrease) in cash and cash equivalents in the year |      | - 25,389  | 23,062    |
| Cash and cash equivalents at the beginning of the year       |      | 134,111   | 111,049   |
| Total cash and cash equivalents at the end of the year       |      | 108,722   | 134,111   |

## 2.9 Notes to the Accounts

FOR THE PERIOD ENDED 30 JUNE 2022

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### 1. ORGANISATION STATUS

HIPZ (Health Improvement Project Zanzibar) is a Charitable Incorporated Organisation.

### 2. ACCOUNTING POLICIES

#### **Basis of accounting**

The charity constitutes a public benefit entity as defined by FRS102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014, as updated by Update Bulletin 1 issued on 2 February 2016, with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

The financial statements have been prepared under the historical cost convention 2015 (SORP 2015), 'Accounting and Reporting by Charities', issued by the Charities Commission.

#### **Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

#### **Income**

All income is included in the statement of financial activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

#### **Fixed assets**

Fixed assets (excluding investments) are stated at cost less accumulated depreciation. The costs of minor additions or those costing below £1,000 in the UK, or £300 in Zanzibar are not capitalised.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset. There are currently no assets held in the UK. Our depreciation rates in Zanzibar are based on the Tanzanian Revenue Authority rates and are therefore as follows:

##### *Depreciation rates - Zanzibar*

Computers and accessories and motor cycles– 37.5% (reducing balance)

Furniture and fixings, office equipment and motor vehicles – 12.5% (reducing balance)

#### **Expenditure**

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure represents amounts invoiced, including value added tax.



### 3.4 Notes to the Accounts

#### FOR THE PERIOD ENDED 30 JUNE 2022 (continued)

##### Taxation

The Charity is exempt from corporation tax on its charitable activities.

##### Accounting period

The charity changed its year end from 31 March to 30 June in 2021 and the comparative figures cover a 15 month period from 1 April 2020 to 30 June 2021. The current year figures are for twelve months.

### 3. DONATIONS AND LEGACIES

|                        | Unrestricted<br>£ | Restricted<br>£ | 2022<br>£      | 2021<br>£      |
|------------------------|-------------------|-----------------|----------------|----------------|
| Individual Giving      | 41,215            | 3,993           | 45,208         | 70,767         |
| Corporate              | 22,587            | 43,422          | 66,009         | 55,699         |
| Major Donors           | 21,000            | -               | 21,000         | 73,184         |
| Statutory              | -                 | 44,177          | 44,177         | 27,562         |
| Community and events   | 11,352            | -               | 11,352         | 19,142         |
| Trusts and Foundations | 4,450             | 306,822         | 311,272        | 119,062        |
|                        | <u>100,604</u>    | <u>398,414</u>  | <u>499,018</u> | <u>365,416</u> |

### 4. FUNDRAISING COSTS

|                         | Unrestricted<br>£ | Restricted<br>£ | 2022<br>£     | 2021<br>£     |
|-------------------------|-------------------|-----------------|---------------|---------------|
| Fundraiser salaries     | 23,173            | 30,015          | 53,188        | 42,349        |
| Other fundraising costs | 3,650             | 17,447          | 21,097        | 3,073         |
|                         | <u>26,823</u>     | <u>47,462</u>   | <u>74,285</u> | <u>45,422</u> |

### 5. EXPENDITURE ON CHARITABLE ACTIVITIES

|   | Unrestricted<br>£ | Restricted<br>£ | 2022<br>£      | 2021<br>£      |
|---|-------------------|-----------------|----------------|----------------|
| Operational costs   | 8,846             | 23,211          | 32,057         | 21,247         |
| Capacity building and quality improvement                                 | 48,713            | 177,445         | 226,158        | 124,832        |
| Equipment and consumables, Infrastructure development and Pharmaceuticals | 20,194            | 52,705          | 72,899         | 77,330         |
| Policy advocacy / government liaison                                      | 4,940             | 4,374           | 9,314          | 10,672         |
| Preventive Services   | 9,031             | 58,083          | 67,114         | 36,922         |
| Administration  | 26,352            | 7,994           | 34,346         | 24,860         |
| Exchange rate differences   | 4,100             | -               | 4,100          | 4,308          |
|   | <u>122,176</u>    | <u>323,812</u>  | <u>445,988</u> | <u>300,171</u> |

### 3.4 Notes to the Accounts

FOR THE PERIOD ENDED 30 JUNE 2022 (continued)

#### 6. STAFF COSTS

|                       | 2022           | 2021           |
|-----------------------|----------------|----------------|
|                       | £              | £              |
| Wages and salaries    | 144,642        | 145,505        |
| Social security costs | 18,876         | 21,362         |
| Pension costs         | 1,104          | 840            |
|                       | <u>164,622</u> | <u>167,707</u> |

|                       | 2022      | 2021      |
|-----------------------|-----------|-----------|
| Fundraising           | 2         | 2         |
| Programme mgt & admin | 10        | 10        |
| Total                 | <u>12</u> | <u>12</u> |

No employee received benefits exceeding £60,000

#### 7. TANGIBLE FIXED ASSETS

|   | Motor vehicles | Equipment     | Total cost    |
|---|----------------|---------------|---------------|
|   | £              | £             | £             |
| <b>Cost</b>   |                |               |               |
| Cost at 1 July 2021   | 9,634          | 5,176         | 14,810        |
| Additions   | -              | 7,655         | 7,655         |
| Disposals   | -              | -             | -             |
| Exchange adjustment and other adjustments to align to Zanzibar accounts | 1,250          | 671           | 1,921         |
| At 30 June 2022   | <u>10,884</u>  | <u>13,502</u> | <u>24,386</u> |
| <b>Depreciation</b>   |                |               |               |
| At 1 July 2021  | 6,548          | 1,674         | 8,222         |
| Charge for the period   | 1,082          | 737           | 1,819         |
| Exchange adjustment   | 849            | 218           | 1,067         |
| At 30 June 2022   | <u>8,479</u>   | <u>2,629</u>  | <u>11,108</u> |
| <b>Net book value</b>   |                |               |               |
| At 30 June 2022   | <u>2,405</u>   | <u>10,873</u> | <u>13,278</u> |
| At 30 June 2021   | <u>3,086</u>   | <u>3,502</u>  | <u>6,588</u>  |

### 3.4 Notes to the Accounts

FOR THE PERIOD ENDED 30 JUNE 2022 (continued)

#### 8. DEBTORS

|             | 2022         | 2021         |
|-------------|--------------|--------------|
|             | £            | £            |
| Staff loans | 2,127        | 2,307        |
| Prepayments | 3,400        | 2,398        |
|             | <u>5,527</u> | <u>4,705</u> |

#### 9. CREDITORS

|                 | 2022          | 2021          |
|-----------------|---------------|---------------|
|                 | £             | £             |
| Accruals        | 4,465         | 4,510         |
| Other creditors | 8,231         | 6,445         |
|                 | <u>12,696</u> | <u>10,955</u> |

#### 10. RESTRICTED INCOME FUNDS

|                                      | Balance<br>at 30 June<br>2021 | Income         | Expenditure      | Transfer<br>(to) / from<br>unrestricted<br>funds | Balance<br>at 30 June<br>2022 |
|--------------------------------------|-------------------------------|----------------|------------------|--|-------------------------------|
|                                      | £                             | £              | £                | £  | £                             |
| <b>Restricted funds</b>              |                               |                |                  |  |                               |
| ZIDO - Biochemistry machine          | 3,655                         | 4,983          | - 10,372         | -  | - 1,734                       |
| ZIDO - Other Smaller Projects        | 8,750                         | 26,641         | - 17,126         | -  | 18,265                        |
| Rotary Global Grant (Makunduchi)     | - 785                         | -              | - 1,487          | -  | - 2,272                       |
| Comic Relief                         | 27,823                        | -              | -                | - 27,823   | -                             |
| Dornenburg Stiftung                  | 702                           | -              | -                | -  | 702                           |
| Evan Cornish                         | 3,000                         | -              | - 3,925          | -  | - 925                         |
| Ethicall                             | 2,887                         | 15,000         | - 1,158          | -  | 16,729                        |
| The Lady Fatemah Charitable<br>Trust | 8,706                         | 127,595        | - 121,706        | -  | 14,595                        |
| Costas M. Lemos Foundation           | - 9,415                       | 118,682        | - 152,432        | -  | - 43,165                      |
| Friendship Bench                     | -                             | 521            | - 565            | 44   | -                             |
| Festival Medical Services            | -                             | 20,400         | -                | -  | 20,400                        |
| Todos Juntos                         | -                             | 5,000          | -                | -  | 5,000                         |
| Souter Charitable Trust              | -                             | 3,000          | - 3,355          | 355  | -                             |
| Guernsey Overseas Aid<br>Commission  | -                             | 44,178         | - 34,009         | -  | 10,169                        |
| HIPZ Christmas Fundraiser            | -                             | 8,993          | - 3,024          | -  | 5,969                         |
| PN Pharmanovia                       | -                             | 23,422         | - 17,497         | -  | 5,925                         |
| Other                                | -                             | -              | - 4,618          | 4,618  | -                             |
|                                      | <u>45,323</u>                 | <u>398,415</u> | <u>- 371,274</u> | <u>- 22,806</u>                                  | <u>49,658</u>                 |

### 3.4 Notes to the Accounts

#### FOR THE PERIOD ENDED 30 JUNE 2022 (continued)

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Purpose of restricted funds:

**ZIDO** is registered non-profit charitable organisation based in Canada. The registered name is Reaching out to Zanzibar International Development Organization and its mission is to improve the lives of the people of Zanzibar

- **ZIDO Biochemistry Machine.** ZIDO supported HIPZ to rent a biochemistry analyser and procure reagents. The biochemistry analyser is placed in a laboratory of Kivunge District Hospital. It vastly improves the diagnostic services and therefore the treatment and management of diseases.
- **ZIDO other small projects.** ZIDO has supported HIPZ to implement various projects to improve the health care service delivery at Makunduchi and Kivunge Hospital. The majority of the funds are used to provide infants with formula milk who do not receive enough breastmilk due to medical reasons. Additionally, ZIDO supports the ophthalmic clinics, psychiatric clinics, training for healthcare workers and the provision of medical equipment.

**Rotary Zanzibar** is the short form of Rotary Club of Zanzibar - Stone Town based in Zanzibar Town, Tanzania. It is an organisation to bring together business and professional leaders in order to provide humanitarian services and to advance goodwill and peace. It is a non-political and non-religious organisation open to all.

- **Rotary Global Grant Makunduchi.** The Rotary Global Grant in Makunduchi aims at improving the delivery of health care services at Makunduchi Hospital by improving the infrastructure, equipment and capacity of the health care workers. The Rotary Club of and HIPZ is downstream partner delivering parts of Global Grant and providing technical expertise to the Rotary Club of Zanzibar.

**Comic Relief.** Comic Relief is supporting us to implement a mental health project in North A and South Districts benefiting 180,000 people with the aim of improving access to mental health services in the community, improving quality of mental health services, improving awareness of mental health in the community.

**Dorenburg Stiftung** is a private family foundation funding medication and consumables for our paediatric work.

**Evan Cornish Foundation** is a UK based grant-giving organisation. They awarded HIPZ funding to deliver mental health community outreach days.

**Ethical1** is a historic partner of HIPZ and they reached back out to us in 2020, and generously offered to support our work. They donated £17,000 towards our surgical work which included renovating and equipping the operating theatre in Kivunge Hospital and purchasing a new theatre bed for Makunduchi Hospital.

The **Lady Fatemah Charitable Trust** is funding HIPZ to deliver a new maternal and new-born health programme in the hospitals and Primary Health Care Units we work in.

The **Costas M Lemos Foundation** is a private foundation supporting HIPZ's fundraising and operations functions.

### 3.4 Notes to the Accounts

FOR THE PERIOD ENDED 30 JUNE 2022 (continued)

#### 11. UNRESTRICTED INCOME FUNDS

|                            | Balance<br>at 30<br>June<br>2021 | Income         | Expenditure      | Transfer<br>(to) / from<br>unrestricted<br>funds | Balance<br>at 30 June<br>2022 |
|----------------------------|----------------------------------|----------------|------------------|--|-------------------------------|
| <b>Unrestricted funds</b>  | <b>£</b>                         |                |                  |  | <b>£</b>                      |
| General unrestricted funds | 89,126                           | 102,240        | - 148,999        | 22,806   | 65,173                        |
|                            | <u>89,126</u>                    | <u>102,240</u> | <u>- 148,999</u> | <u>22,806</u>                                    | <u>65,173</u>                 |

#### 12. ANALYSIS OF FUNDS BY ASSET TYPE

|                    | Restricted    | Unrestricted  | Total cost     |
|--------------------|---------------|---------------|----------------|
|                    | <b>£</b>      | <b>£</b>      | <b>£</b>       |
| Fixed assets       | -             | 13,278        | 13,278         |
| Net current assets | 49,658        | 51,895        | 101,553        |
|                    | <u>49,658</u> | <u>65,173</u> | <u>114,831</u> |

#### 13. TRUSTEE REMUNERATION, KEY MANAGEMENT PERSONNEL & RELATED PARTY TRANSACTIONS

No member of the board of trustees received any remuneration or were reimbursed for any expenses during the reporting period.

The key management personnel are the voluntary trustees and so there is no expenditure on key management personnel during the reporting period.

There were no related party transactions during the reporting period.

#### 14. RECONCILIATION OF NET MOVEMENT IN FUNDS TO CASH FLOW FROM OPERATING ACTIVITIES

|  | 2022<br>£       | 2021<br>£     |
|--|-----------------|---------------|
| Net income/expenditure for the year (as per the Statement of Financial Activities) | - 19,618        | 20,637        |
| Add back depreciation charge   | 1,819           | 150           |
| Investment income  | -               | -             |
| Loss on disposal of fixed assets   | - 854           | - 583         |
| Decrease (increase) in stock   | -               | -             |
| Decrease (increase) in debtors   | - 822           | - 644         |
| Increase (decrease) in creditors   | 1,741           | 3,907         |
| Net cash used in operating activities  | <u>- 17,734</u> | <u>23,467</u> |





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