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**Beit – Cure Hospital Strengthening the audiological and ENT
services in Zambia
Project No:P3589
Audited Project Financial Statements
For the 12 month period ended 31st December 2020**

Strengthening the audiological and ENT services in Zambia (Project number P3589)

Financial Statements for the 12 month period ended 31 December, 2020

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General Information

Project information	Beit Cure MYP
Project Funders	Christoffel-Blindenmission Christian Blind Mission (CBM)
Project Partner:	Beit Cure Hospital
Project Location:	Great North Road, Plot 34872A near SOS, Great North Road, Lusaka, Zambia
Project Number:	P3589-MYP
Project Title:	Strengthening the audiological and ENT services in Zambia
Commencement Date:	January 2018
Planned Completion Date:	December 2020
Total Project Budget:	ZK 2,817,631
Net Project Budget to be Implemented by Partner:	ZK 2, 817,631

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Project Partners Responsibilities

In accordance with the project contract and partnership framework memorandum, Beit Cure Hospital on Improving Access to Healthcare and Rehabilitation Services has the responsibilities to prepare financial statements for each financial year which give a true and fair view of the performance and cash flows for the period then ended. In preparing such financial statements, Beit Cure Hospital is responsible for:

- Designing, implementing and maintaining internal control relevant to the preparation;
- Selecting appropriate accounting policies and applying them consistently; and
- Making judgement and accounting estimates that are reasonable in the circumstances, and preparing the financial statements in accordance with applicable financial reporting framework and on the going concern basis unless it is inappropriate to presume that the organization will continue in business.

In particular, Beit Cure Hospital have the following responsibilities and is expected to ensure that it:

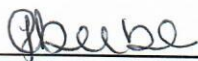
1. Applies appropriate policies and regulations in the planning and implementation of its activities and the management of its organization to protect the reputation and operational freedom of both CBM and Beit Cure hospital.
2. Uses CBM's budget support efficiently and economically according to the project to the project plan and budget plan.
3. Informs CBM as soon as possible about any significant changes to the project plan and/or budget as well as any relevant changes, which may impact the jointly agreed results for the approved project.
4. Keeps a separate project accounting clearly recording income and expenditures (all eligible project costs) of the CBM budget support either through separate bookkeeping for the project all by using a separate project/cost code. Internationally accepted accounting principles shall be adhered to.
5. Ensures that project funds are deposited in a separate bank account and that all payments and withdrawals from the bank account are approved by at least two authorized signatories of Beit Cure Hospital.
6. Inform CBM immediately about every change to the authorized signatories and any changes or additions to the bank account details of the designated bank account(s) by issuing the bank details form and providing a bank statement as verification.
7. Requests funds through a signed request of funds form
8. Provides all supporting documents to the request of funds (pro-forma invoices or quotations, cost estimates, building plans, etc.) which are requested by the relevant CBM country or Regional Office.

The Project Manager is also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial statements comply with the Societies Act 119, for safeguarding the assets of the organization and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Project Manager confirms that in their opinion;

1. The special purpose financial statement give a true fair view as of 31 December, 2020 and of its financial performance for the period then ended;
2. The special purpose financial statements have been prepared in accordance with the funding agreement requirements and in the manner required by the Societies Act Cap 119.

Approval of statements



Authorised Signatory

Independent Auditor's Report

To the Christoffel-Blindenmission Christian Blind Mission (CBM) in respect of Beit Cure Hospital on Strengthening the audiological and ENT services in Zambia

Opinion

In our opinion, the special purpose carve-out financial statements present fairly, in all material respects, the financial position of Beit Cure Hospital on Strengthening the audiological and ENT services in Zambia as at 31 December, 2020 and its financial performance for the period then ended in accordance with the accounting policies as prescribed in the funding contract.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Completeness of income	We tested and agreed funds remitted to approved budget bank statements and advice notes.
Validity of project expenses	Selected a sample of expense items from the expense listing and ensured that expenses have been properly approved and having appropriate supporting documents
Compliance with partner agreement	We obtained the agreement and summarised the terms and conditions which we checked for compliance by the implementing project partner
Asset ownership	We requested for the register of assets inventories purchased with project funds and maintained separate from the project.

Other matter

The Project Partner is responsible for the other information. Our opinion on the Project Financial Statements does not cover the other information and we do not express an audit opinion or any form of assurance thereon. In connection with our audit of the Project Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Project Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Strengthening the audiological and ENT services in Zambia (Project number P3589)

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Responsibilities of the Project Partner for the Project Financial Statements

The Project Partner is responsible for the preparation and the fair presentation of the Project Financial Statements in accordance with International Financial Reporting Standards and the requirements of the Societies Act and for such internal control as the management committees determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

CFS
Client Focus Solutions
Chartered Accountants

Chrispin Daka
AUD/F001208
Partner



**Strengthening the audiological and ENT services in Zambia
(Project number P3589)
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Statement of Receipts and Expenditure

Figures in Zambian Kwacha

Activity code	Result activity item	Note	Budget Period (months)	Balance brought forward from previous year's budget	Budget Amount (ZK)	Actual period (months)	Actual Amount (ZK)	Burn Rate	Burn Time	Ineligible Expenses	Ineligible %
Income											
	Grant Income	2	12	208,196.34	2,961,048.40	12	2,961,048.40	100%	100%	-	0%
Programme expenses:											
ENT (diagnostic and surgery) and rehabilitative services (audiology and audio-verbal therapy) provided to a larger number of patients											
01.01	Conduct ENT Consultations at ENT Clinic		12	22941.15	431,731.23	12	454,596.29	105%	100%	-	0%
01.02	Perform ENT Surgeries at Beit CURE Hospital (salaries, equipment, and supplies)		12	129586.11	1,628,337.55	12	1742163.53	107%	100%	113,825.98	7%
01.03	Conduct ENT mobile outreaches within Lusaka		12	13747.09	167,365.80	12	143,879.25	86%	100%		
01.04	Conduct Audiology Consultations		12	4237.97	212,831.96	12	268,308.52	126%	100%	55,476,056.00	26%
01.05	Continue the 2016 initiated speech therapy program		12	3778.71	92,624.98	12	88,200.00	95%	100%		
Strengthen the Zambian Health system through support to implement the National ENT Plan and Result 02 meetings amongst relevant stakeholders.											
02.01	Biannual meetings of a National ENT Technical Committee		12	10419.31	6,630.98	12	-	0%	100%	48,130.83	95%

**Strengthening the audiological and ENT services in Zambia
(Project number P3589)
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Statement of Receipts and Expenditure (Continued)**

Provide operational management and financial sustainability in ENT Clinic										
Result 03	03.01	Provide dedicated project manager to oversee business operations of ENT Clinic	12	783.26	209,169.00	12	209,952.28	100%	100%	1,293.71
	03.02	Infrastructure support for ENT clinic	12	-3104.62	145,781.60	12	142,676.96	98%	100%	-
	03.03	Support for Dr. Froeschl's vehicle	12	1515.06	45,260.52	12	64,537.21	143%	100%	19,276.67
	03.04	Perform annual audit on p.2740	12	24292.3	21,314.78	12	25,520.00	120%	100%	4,205.22
		Total expenses	12	208,196.34	2,961,048.40	12	3,139,834.04			
		Deficit of funds as at 30 December 2020					(178,785.64)			
		Opening bank balance					123,629.31			
		Refund from BCH to P3589 (9/04/2020)					84,567.03			
		Theoretical bank balance					29,410.70			
		Bank statement balance at 31 December 2020	1				29,410.70			
		Difference					(0.00)			

**Strengthening the audiological and ENT services in Zambia
(Project number P3589)**

Financial Statements for the 12 month period ended 31 December, 2020

Accounting Policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these special purpose financial statements outlined below.

1.1 Basis of preparation

The specific purpose financial statements have been prepared on the cash basis, the special purpose financial statements have been prepared by the management of Beit Cure Hospital, in complying with provisions of the agreement

1.2 Grants income

Grant income is recognized when it is received.

1.3 Expenditure

Expenditure is recognized on cash basis. No accrual has been made in the income and expenditure statement of expenses that were not paid for at the reporting date unless otherwise stated.

Equipment acquired in the year is written off in the year as part of project expenses. A full list of the equipment is maintained by the organization and disclosed on note

**Strengthening the audiological and ENT services in Zambia
(Project number P3589)**

Financial Statements for the 12 month period ended 31 December, 2020

Figures in Zambian Kwacha Note(s)
2020

1. Cash and cash equivalents

Stanbic Bank

29,410.70

2. Income

Grants are receivable every quarter from CBM upon presentation of funding request in line with the grant agreement as shown below.

Quarters	Dates	Amounts (ZK)
Quarter 1	25/01/2020	974,551.55
Quarter 2	-	-
Quarter 3	10/08/2020	1,228,521.88
Quarter 4	09/11/2020	757,974.97
Totals		2,961,048.40

3. Inventory of assets purchased

DATE	DESCRIPTION	AMOUNT (K)
29-Jan-20	Filing Cabinet for ENT Department	2,200.00
7-Feb-20	UPS Power surge for ENT Department	5,397.00
18-Jun-20	Pong Hemostats	23,661.18
24-Aug-20	Medicals Consumables	49,553.48
29-Oct-20	Hearing Aid Batteries	28,086.75
15-Dec-20	Hearing Aid Batteries	16,194.08
15-Dec-20	Hand Held Tympanometers and Tympanometer tips	66,880.17
18-Dec-20	Audiology consumables	82,145.79
Total		274,118.45

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Detailed Expenditure Statement

Activity code	Result activity item	Budget Period (months)	Budget Amount	Actual period (months)	Actual Amount (ZK)	Burn Rate Amount	Burn Rate Time Lapsed	Ineligible Expenses	Ineligible %
1	ENT (diagnostic and surgery) and rehabilitative services (audiology and audio-verbal therapy) provided to a larger number of patients	12	2,532,891.52	12	2,697,147.59	106%	100%		
01.01	Conduct ENT Consultations at ENT Clinic	12	431,731.23	12	454,596.29	105%	100%		
01.02.004	Salaries	12	408,048.16	12	408,667.60	100%	100%		
01.02.005	Equipment	12	17,367.59	12	39,403.00	227%	100%	22,035.41	127%
01.02.006	Supplies	12	6,315.48	12	6,525.69	103%	100%	210.21	3%
01.02	Perform ENT Surgeries at Beit CURE Hospital (salaries, equipment, and supplies)	12	1,628,337.55	12	1,742,163.53	107%	100%		
01.02.008	Salaries	12	320,890.00	12	324,590.08	101%	100%	3,700.08	1%
01.02.009	Equipment	12	50,523.91	12	98,654.74	195%	100%	48,130.83	95%
01.02.010	Supplies	12	277,214.35	12	286,028.71	103%	100%	8,814.36	3%
01.02.011	Patient Support	12	232,756.29	12	234,050.00	101%	100%	1,293.71	1%
01.02.012	ENT surgeon position	12	718,740.00	12	720,240.00	100%	100%		
	quality improvement consultancy (US intern for 3 months) on data and or costing analysis								
01.02.013		12	12,600.00	12	78,600.00	624%	100%	66,000.00	524%
01.02.014	continuous medical education (1 conference per year for the ENT Surgeon)	12	15,613.00	12	-	0%	100%		
01.03	Conduct ENT mobile outreaches within Lusaka	12	167,365.80	12	143,879.25	86%	100%		
01.03.004	Transport	12	121,573.16	12	93,091.75	77%	100%		
01.03.005	Travel Allowance	12	28,419.72	12	30,560.00	108%	100%	2,140.28	8%
01.03.006	Supplies	12	17,372.92	12	20,227.50	116%	100%	2,854.58	16%
01.04	Conduct Audiology Consultations	12	212,831.96	12	268,308.52	126%	100%		
01.04.004	Salaries	12	114,120.88	12	122,401.56	107%	100%	8,280.68	7%
01.04.005	Equipment/Calibration	12	47,366.16	12	94,106.90	199%	100%	46,740.74	99%
01.04.006	supplies	12	51,344.92	12	51,800.06	101%	100%	455.14	1%

**Strengthening the audiological and ENT services in Zambia
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Detailed Expenditure Statement (continued)

01.05	Continue the 2016 initiated speech therapy program	12	92,624.98	12	88,200.00	95%	100%	
01.05.003	Salaries	12	84,730.60	12	88,200.00	104%	100%	3,469.40
01.05.004	Equipment	12	7,894.38	12	-	0%	100%	
	Strengthen the Zambian Health system through support to implement the National ENT Plan and meetings amongst relevant stakeholders.	12	6,630.98	12	-	0%	100%	
2	Biannual meetings of a National ENT Technical Committee	12	6,630.98	12	-	0%	100%	
02.01	Biannual meetings of a National ENT Technical Committee	12	6,630.98	12	-	0%	100%	
02.01.002	Biannual meetings of a National ENT Technical Committee	12	6,630.98	12	-	0%	100%	
	Provide operational management and financial sustainability in ENT Clinic	12	421,525.90	12	442,686.45	105%	100%	
3	Provide dedicated project manager to oversee business operations of ENT Clinic	12	209,169.00	12	209,952.28	100%	100%	
03.01	Salaries	12	209,169.00	12	209,952.28	100%	100%	
03.01.002	Infrastructure support for ENT clinic	12	145,781.60	12	142,676.98	98%	100%	
03.02	Infrastructure support (utilities, cleaning, maintenance, etc...)	12	145,781.60	12	142,676.98	98%	100%	
03.03	Support for Dr. Froeschl's vehicle	12	45,260.52	12	64,537.19	143%	100%	
03.03.002	Project Vehicle	12	45,260.52	12	64,537.19	143%	100%	19,276.67
03.04	Perform annual audit on p.2740	12	21,314.78	12	25,520.00	120%	100%	
03.04.002	Contribution to Hospital Total Audit	12	21,314.78	12	25,520.00	120%	100%	4,205.22
	Total expenses	12	2,961,048.40	12	3,139,834.04	106%	100%	

The ineligible expenses were not on the main expenditure category lines hence, not required for approval




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