



2023 ANNUAL REPORT



PREPARED BY
ZAMBIA FLYING DOCTOR SERVICE



Mandate

The Zambia Flying Doctor Service is a grant-aided service delivery statutory board under the Ministry of Health that was created under an Act of Parliament No 37 of 1967 with amendment No 18 of 1972 and repealed by act No 25 of 1975 Chapter 298 of the Laws of Zambia. It was founded by Dr. James Lawless in 1965. The FDS Act provides for the establishment, management and development of the Zambia Flying Doctor Service.

The core business of ZFDS is to combat disease among and to promote the health and material well-being of the inhabitants of the rural areas of Zambia and also to provide aero-medical and other health services countrywide.

Vision

“A reliable and preferred aero-medical service provider contributing to sustainable quality health for all”.

Mission

“To provide cost effective, quality and efficient aero-medical services in remote, rural and hard to reach areas and other parts of the country in order to combat human diseases and save lives”.

Our Physical Location

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Director Legal services/ Corporate Affairs



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Head Internal Audit & Risk



Mr. Edward Msoni
Head Human Resource &
Administration



Ms. Justina Kapandula
Head Procurement



Mr. Dick Chilatemala Chama
Head Security Services



Table of Contents

List of Abbreviations

Glossary of Terms

PART 1: INTRODUCTION

- 1.1 Foreword
- 1.2 Acknowledgements
- 1.3 Executive Summary

PART 2: STATUTORY BOARD PROFILE

- 2.1 Overview of the Zambia Flying Doctor Service 1
- 2.2 Services Offered by the Institution 3
- 2.3 Present Staffing of the Institution 9
- 2.4 Research Activities and Results 12
- 2.5 Financing of the Institution 13
- 2.6 Equipment, Transport and Communication 14
- 2.7 Demographic Profile 17
- 2.8 Social Economic Profile 17
- 2.9 Partners and Stakeholders 17

PART 3: SITUATION ANALYSIS

- 3.1 Medical Department 18
- 3.2 Aviation Department 20

PART 4: MAIN PLAN

- 4.1 Progress on Previous Year's Plan 23
- 4.2 Strength, Weaknesses, Opportunities and Threats 38
- 4.3 Priorities for Next Three Years 40
- 4.4 Objectives for the Next MTEF (Logical Framework) 41
- 4.5 Activities to Achieve the Objectives (Cost Framework) 52
- 4.6 Staff Development Plan 59
- 4.7 New Capital Items Planned for the Next MTEF 61

PART 5: BUDGET

- 5.1 Projected Income for Next MTEF 65
- 5.2 Consolidated Budget Spread sheet 76
- 5.3 Budget for Capital Costs 67



List of Abbreviations

ADCH	-	Arthur Davison Children's Hospital
AIDS	-	Acquired Immune Deficiency Syndrome
ANC	-	Antenatal Clinic
ARI	-	Acute Respiratory Infection
ART	-	Anti-Retroviral Therapy
BCG	-	Bacille Calmette-Guerin Vaccine
B/S	-	Blood Slide
CMO	-	Chief Medical Officer
COVID-19	-	Corona Virus Disease 2019
CSO	-	Central Statistical Office
DMMU	-	Disaster management & Mitigation Unit
DHD	-	District Health Director
DHO	-	District Health Office
DPT	-	Diphtheria, Pertussis, Tetanus vaccine
FHI	-	Federation of Health Institutions
GF	-	Global Fund
GRZ	-	Government of the Republic of Zambia
Hep	-	Hepatitis
Hib	-	Haemophilus Influenza B
HIV	-	Human Immunodeficiency Virus
HF	-	High Frequency
HMIS	-	Health Management Information System
HRIS	-	Human Resource Information System
ICT	-	Information Communication Technology
IMCI	-	Integrated Management of Childhood Illnesses
IRH	-	Integrated Reproductive Health
IUD	-	Intrauterine Device
JSI	-	John Snow Incorporation
MCH	-	Maternal and Child Health
MEDEVAC	-	Medical Evacuation
MoH	-	Ministry of Health
MoU	-	Memorandum of Understanding
MoV	-	Means of Verification
MTEF	-	Medium Term Expenditure Framework
NHIMA	-	National Health Insurance Management Authority
NAPSA	-	National Pension Scheme Authority
NTH	-	Ndola Teaching Hospital
OPD	-	Out Patient Department
OPV	-	Oral Polio Vaccine
PCV	-	Pneumococcal Conjugate Vaccine



PBX	-	Private Branch Exchange
PEs	-	Personnel Emoluments
PHD	-	Provincial Health Director
PMTC	-	Prevention of Mother to Child Transmission
PMU	-	Project Management Unit –MoH
PSMD	-	Public Service Management Division
RHC	-	Rural Health Centre
RV	-	Rotavirus Vaccine
SAFE	-	Supporting an AIDS-Free Era
SMS	-	Senior Medical Superintendent
STIs	-	Sexually Transmitted Infections
TDRC	-	Tropical Disease Research Centre
TB	-	Tuberculosis
TBAs	-	Traditional Birth Attendants
UNZAAWU	-	University of Zambia and Allied Workers' Union
UTHs	-	University Teaching Hospitals
VMMC	-	Voluntary Medical Male Circumcision
ZAF	-	Zambia Air Force
ZAMMSA	-	Zambia Medicine and Medical Supplies Agency
ZCAA	-	Zambia Civil Aviation Authority
ZRA	-	Zambia Revenue Authority
ZFDS	-	Zambia Flying Doctor Service
ZICTA	-	Zambia Information Communication and Technology Authority

Glossary of Terms

1. Activity - A specific action taken
2. Budget - A quantification of the resources and the associated costs of implementing
3. Clinical Care - All activities and expenses that can be directly associated with patient care.
4. Golden Hour - The first hour after the occurrence of a traumatic injury, considered the most critical for successful emergency treatment
5. Objective - The desired end result of a set of actions.
6. Plan - The definition of what is to be achieved, how it is to be achieved and the resources needed for implementation
7. Prevention - Actions that are taken to preserve health. Primary prevention is intended to reduce the incidence of disease and injury
8. Priority - Something which is considered to be the most important. Priority might be a problem or solution.
9. Programme - Classification of activities based on what these activities



- are intended to influence.
- 10. The Service - Zambia Flying Doctor Service
 - 11. Strategy - A planned approach for achieving an objective.
 - 12. Specialist Outreach - Scheduled flight undertaken by Medical Specialists to Attend to patients
 - 13. Statutory Board - An institution established by an Act of Parliament
 - 14. Accreditation - The process by which an Institution is objectively judged against pre-established standard in order to provide advice on needed improvements and public acknowledgement.
 - 15. Administrative Costs - All activities and expenses related to the administration and general running of the institution that cannot be allocated to other cost centres, e.g., telephone costs, salaries etc.
 - 16. Routine Flight - Scheduled flight to rural clinics undertaken by Medical staff to review as well as see patients.
 - 17. Outreach Flight - A scheduled flight undertaken by medical staff involving camping of medical staff in rural clinics to carry out various medical activities e.g. immunisation, HIV/AIDS programme.



Chief Executive Officer's Overview



Through implementation of an aggressive improvement plan for rural health Service provision, the Zambia Flying Doctor Service undertook *To provide cost-effective, quality, and efficient aero-medical services in remote, rural and hard-to-reach areas and other parts of the country in order to combat human diseases and save lives*”.

During the year under review, ZFDS carried out a total of Sixty-Three (63) outreaches as compared to twenty three (23) in 2022, of which Twenty-six (26) were specialized outreaches and serving a total Number of One Hundred five thousand, four hundred and forty-three (105,433) patients which was a significant improvement from the Eleven thousand, eight hundred and seventy-five (11875) patients serviced in the year 2022. These outreaches were undertaken in all Provinces of the Country in Forty- Six (46) rural districts and Two Hundred, sixty-two (262) health facilities benefiting from these supplementary services. A total number of Eighty-eight (88) medical evacuations after referrals from various parts of the country to tertiary medical institutions were undertaken thereby greatly enhancing the referral system through air evacuation.

In order to enhance our internal income generation which supplements the Government grants, we have had to invest in upgrading our two Medical facilities situated in Northrise and Itawa within Ndola district. The two health facilities are NHIMA accredited and open to the general public offering 24 hour services in clinical, surgical and diagnostic services.

The increased internal income generation through the said medical facilities has greatly helped in carrying out more routine and specialised medical outreaches in the rural hard to reach parts of our Great Country thereby improving the quality of lives for our rural citizens

This Annual Report outlines the major achievements and challenges encountered by the Zambia Flying Doctor Service (ZFDS) in the implementation of the programmes and activities for the year 2023. It also highlights the major activities to be undertaken by the Service in the coming year.

ZFDS continued to provide Aero-medical services to some of the hard-to-reach areas in rural Zambia with provision of health care service using the two Cessna aircrafts that were serviceable after the successful overall of the other Aircraft. These services were executed in collaboration

ZAMBIA FLYING DOCTOR SERVICE

Financial Statements for the Year Ended 31st December 2023

with respective District Health Management Teams. The services included routine and specialist medical outreach activities, emergency medical evacuations, thus enabling Zambia Flying Doctor Service to contribute to the Ministry of Health overall theme of “Universal Health Coverage”.

In order to improve its financial base and supplement Government funding, ZFDS working in collaboration with the Management Development Division (MDD) revised the Strategic Plan and developed a business Plan that outlines strategic direction and revenue generation activities respectively for the Service.

Other Notable achievements of the Service during the year under review are:

- i. Operational Efficiency improvement, internal income Generation, Security, and Operational Internal Control, this has culminated in increased routine and Specialised Medical outreaches as well as Evacuations with an Average of eight (8) concurrent outreaches done per month
- ii. Introduction of Technology which relates to Drone technology and telemedicine.
- iii. Opening of Copper belt High Cost AeroMED and Provincial AeroMED centres
- iv. Engine Overhaul,
- v. Completion of the Asset Revaluation and,
- vi. Rehabilitation of the ZFDS houses,

It goes without saying that Zambia Flying Doctor Service needs full recapitalization to acquire adequate and appropriate aircraft to enhance service delivery and consequently contribute to the realization of the Government’s theme of “Universal Health Coverage”.

However, ZFDS faced a number of challenges during the year under review. Some of these challenges included:

➤ **Financial Challenges**

- Huge statutory outstanding debt
- Inadequate Service operational funds.
- Delayed payments for medical operations by NHIMA

➤ **Aviation Challenges**

- ZFDS requires one pressurized twin-engine aircraft and two helicopters
- Dilapidated Aviation Infrastructure and Equipment
- Inadequate Airstrips and not All-Weather friendly

➤ **Medical Challenges**

- Lack of Aircraft Advanced Life Support Equipment and other Medical Equipment

The Grant from the Government has been increased from K 23,412,374 in 2021 to K 30,707,989 in 2022. Despite this increase, the service will endeavour to engage in income generating activities to cover up the deficit in the budget in order to improve on provision of aero-medical services countrywide.

ZAMBIA FLYING DOCTOR SERVICE**Financial Statements for the Year Ended 31st December 2023**

Management is therefore pleased to submit this Annual Report to the Government of the Republic of Zambia and fully commits itself to work with the Government of the Republic of Zambia, Ministry of Health and partners in its implementation.

Dr George Ng'uni

Chief Executive Officer



ZAMBIA FLYING DOCTOR SERVICE
Financial Statements for the Year Ended 31st December 2023

Acknowledgements

The 2023 Annual Report has been developed through reviews and consultations with Management, UNZAAWU leadership and staff of ZFDS. The following ZFDS core planning team members deserve special mention: -

- | | |
|------------------------------------|---|
| • Dr. George Ng'uni | - Chief Executive Officer |
| • Col. Lasford Manchisi | - Director Aviation Services |
| • Dr. Chisanga Puta | - Director Medical Services |
| • Mrs. Luyando Mbilika- Shimalukwe | - Director Legal Services & Corporate Affairs |
| • Mr. Mulenga Zulu | - Chief Accountant |
| • Dr. Chilambwe Mulenga | - Chief Medical Officer |
| • Ms. Justina Kapandula | - Head Procurement Officer |
| • Mrs. Grace Mwila- Kafula | - Head Internal Audit & Risk |
| • Mr. Dick Chama Chilatema | - Head Security Officer |
| • Mr. Robinson Mufumbilwa | - Head Planning Monitoring Evaluation & Control |
| • Mrs. Racheal Hanyimbo Imasiku | - Head Finance Operations |
| • Mr. Star Kabuta | - Chief Engineer |
| • Mrs. Hildah Simulambo | - Chief Inspector |
| • Sr. Margaret Mbuzi | - Chief Nursing Officer |
| • Mr. Mbulo Steve | - Quality Assurance Manager |
| • Ms. Violet Tembo | - Public Relation Manager |
| • Ms. Angela Aongola | - ICT Manager |

I also wish to acknowledge strategic support from the following:

- The Honorable Minister of Health, Permanent Secretaries and all Directors at MoH;
- Managing/Executive Directors: ZAMMSA ,NHIMA,ZAF and others;
- Copperbelt PHD, UTHs, SMSs of NTH, KTH and ADCH and Ndola DHD and others.

Luyando Mbilika- Shimalukwe

Director Legal Services & Corporate Affairs



1. Departments

The Zambia Flying Doctor Service has the following Departments

- i. Medical Services Department,
- ii. Aviation Services Department,
- iii. Legal Services and Corporate Affairs Department,
- iv. Finance Department,
- v. Internal Audit Department,
- vi. Procurement Department,
- vii. Human Resource Department.

Each Department is led by a Departmental Head who is a member of the Executive Management Team, Headed by the Chief Executive Officer.

2. Establishment

The total establishment of Zambia Flying Doctor Service as at 31st December, 2023 is 128 employees.

3. Reporting Lines

The Zambia Flying Doctor Service has an Eight Member Board appointed by the Honourable Minister of Health. The Zambia Flying Doctor Service Chief Executive Officer reports to the Board of Directors and is aided by management directors who report directly to the Office of the Chief Executive Officer.

4. Operations Of The ZFDS

The ZFDS in the year under review concluded a new strategic plan for the period 2022-2026 Under that plan, the Core mandate of the ZFDS is adequately explained in the mission statement which is

“To provide cost effective, quality and efficient aero-medical services in remote, rural and hard to reach areas and other parts of the country in order to combat human diseases and save lives”.

ZFDS is a grant-aided statutory body under the Ministry of Health that is funded by the Government of the Republic of Zambia with the annual grant being Thirty Million Seven Hundred (ZMW30, 700,000.00). Additionally, the Service runs two static medical centre in Ndola which are NHIMA accredited and generate approximately 13.1% of the total monthly operational expenditure.

While the service receives funding from the Government, the funds are grossly insufficient due to the scope of work as the bigger part of Zambia is rural and requires supplementary primary health care as well as specialist health services. This effort by the

ZAMBIA FLYING DOCTOR SERVICE
Financial Statements for the Year Ended 31st December 2023

Government should be fully supported by strategic partners to bridge the gap in operational logistics, funding, and capital expenditure.

4.1 CHALLENGES FACED IN THE OPERATIONS

From its inception, ZFDS has recorded many successes. However, for the last eight (8) years, the Service declined drastically due to the below-listed factors;

- i. The Zambia Flying Doctor Service has not been recapitalized for a long time, and this has resulted in the following:
 - a. Inadequate types of aircraft. Currently, ZFDS has two fixed-wing aircraft, but only one is operational. The other one has been grounded since 2017 pending engine and propeller overhaul; therefore, the required amount for the overhaul of the aircraft engine and propeller is estimated at US\$650,000.
 - b. No pressurized aircraft and no helicopter, which are very critical in emergency Road Traffic Accident evacuations and hard-to-reach areas affected by changes in weather conditions;
 - c. Inability to procure critical medical evacuation equipment i.e. Advanced life support equipment making it challenging to carry out some emergency medical evacuations for critically ill patients with an estimated cost for the procurement of the base and stretcher systems as well as other components of the advanced life support equipment is US\$200,000.00 per aircraft;
 - d. Inability to construct new airstrips in several areas in Zambia which are still hard to reach and require Aeromedical services. Additionally, the conversion of the existing airstrips from gravel to bituminous standards could not be achieved.
- ii. Lack of adequate office space and land allocation for development, as the current Headquarters of the ZFDS is situated at Zuze Airforce base in Ndola, which premises were formally managed by the Zambia Airport Corporation.
- iii. The Zambia Flying Doctor Service was inadequately funded for the period before 1st January 2022, this led to the following;
 - a. The Service had insufficient remuneration funds, and thereby could not attract Talent in the Medical and Aviation departments of the service.



The lack of adequate manpower in medical personnel has also proved to be a challenge as the need for service delivery is of utmost importance and the current Budget allocation is not sufficient to employ more healthcare personnel to full capacity thereby compromising the delivery of services.

- b. It was practically impossible to carry out the mandate of the Service and almost all the planned outreaches were not able to be actualized and done.
- c. Accumulation of huge statutory debt, ZFDS being a statutory Body funded by the Government of the Republic of Zambia was underfunded in the years 2016, 2018, 2019, and 2020, by K1, 349,256, K 5,616,965, K 7,567,392, and K 5,615,450 respectively. The total underfunding for the period amounted to K 19,649,063. This underfunding greatly affected operations which resulted in the low rate of activities and the accumulation of statutory debts, which to date have not been paid.

4.2 WAY FORWARD

Owing to the above, the need for supplementary health service provision through the ZFDS cannot be overemphasized. However, considering the challenges outlined above which are bordering majorly on operational and capital expenditure, it is critical that the following measures are urgently put in place on the backdrop of the recent appointment of the Board and the Substantive Chief Executive Officer:

i. Recapitalisation of the Service and Increase in OPEX

A complete recapitalization of the service will allow the ZFDS to acquire the much-needed Aeromedical equipment i.e., helicopters (2), advanced life support systems (2), and twin-engine aircraft (1) to be used in providing primary and specialized health service in the rural and hard to reach parts of Zambia.

While there is recognition and appreciation of the recent increase of the annual grant from twenty-six million (**ZMW26, 000,000.00**) to thirty million seven hundred thousand (**ZMW30, 700,000.00**) in January 2022, the operational funds still need to be further increased so as to enable the service to achieve the following: -

- a. Employ a full staff complement in all critical operational areas for improved and sustainable service delivery;



ZAMBIA FLYING DOCTOR SERVICE

Financial Statements for the Year Ended 31st December 2023

- b. Increase the number of routines and specialized medical outreaches so as to cover larger populations living in the far, hard-to-reach parts of Zambia;
 - c. Increased Ability to provide effective and timely mechanical service to all aviation equipment for sustainable provision of aeromedical services.
- ii. **Improvement of referral system.**

ZFDS has actualised a national contact centre which is being used for nationwide coordination of emergency medical responses, regional and district ambulance service coordination, Telemedicine, and the coordination of medical information with all major health facilities and related key stakeholders in the country.

iii. **Identification of new hard-to-reach areas.**

In collaboration with traditional leaders, civic leaders, and provincial/ district Health directors the service has started the project focusing on the identification of new rural dwellings in hard-to-reach areas. This is to construct clinics and airstrips in ensuring that the newly established sites are incorporated into our routine and specialized medical outreach programs.

iv. **Deployment of technology in Aeromedical services.**

For Improved service delivery, ZFDS has commenced the project of implementing Drone technology with cooperating stakeholders such as the Zambia Medicines and Medical Supplies Agency (ZAMMSA), Disaster Management and Mitigation unit (DMMU), and the Zambia National Blood Transfusion Service (ZNBTS). The target audience is health facilities in both rural and urban areas. In urban areas, facilities will benefit from receiving commodities within the shortest period when there is an emergency unlike waiting on land transport which is usually delayed by traffic congestion. In rural areas, the turnaround time for both sample collection, drug/blood products, and medical results delivery which currently relies on land transport will be supplemented with the use of drones. Vaccine's delivery to affected areas for both routine and epidemic control will also be enhanced.

In addition, in times of any massive disaster either due to natural or artificial causes, drones will be handy in capturing real-time photos or videos to assist the Service and other stakeholders to implement appropriate interventions within the shortest possible time.



v. Enhanced internal revenue generation.

Over the years, James Lawless AeroMED center in Northrise has been opened to the public and only operated up to 17 hours and closed during holidays and weekend not until 2022 when the facility started operating 24 hours service.

In 2023 the Service opened its second facility in Itawa and named it after the first Republican President, Kenneth Kaunda.

The two facilities serviced a total of 105,433 patients in 2023 compared to 2022 in which only 7,727 were seen.

The Establishment of new AeroMED centre called AeroMED Kenneth Kaunda in Itawa and the rehabilitation of the current AeroMED James lawless Centre in Northrise into a world-class clinic furnished with relevant medical equipment has enhanced the internal income revenue generation.

vi. Increase Collaboration with Key stakeholders and partners.

ZFDS is in the process of collaborating with key stakeholders by ensuring Memoranda of understanding with the Zambia Air force (ZAF), the Zambia Medicines and Medical Supplies Agency (ZAMMSA), and the Zambia National Blood Transfusion Service (ZNBTS). This will aid the service in operational support and a self-generating income ability for reduced reliance on the government grant.

vii. Mobile Units reallocation.

The Government of the Republic of Zambia in the year 2011 procured Mobile units with specialized equipment which have been disbursed in all ten (10) provinces of Zambia and are currently being used sub-optimally. The ZFDS is therefore requesting that all the mobile units be reallocated and given to the service. This would aid ZFDS in carrying out its mandate to far-flung areas during outreaches and all health services that can be found at the general hospital level going downwards to the health post level shall be offered in rural and remote areas of our country.

EXECUTIVE MANAGEMENT REPORT

1. MEDICAL DEPARTMENT

1.0 INTRODUCTION

The Service's core mandate is to provide quality aero medical, primary health care and specialized health care to remote and hard to reach areas in order to promote the wellbeing of people within their communities. This report covers the medical performance against the annual targets for 2023 as set from the action plan for 2022 to 2024, this report includes all the activities done at the static site (AeroMED center) and all the routine and specialized outreaches. In this reporting period the objectives of the directorate included the following:

- Increase on the number of medical evacuations both by land and air in quarter four, prioritising patients in rural areas with limited specialized care.
- Conduct Medical and specialised outreach programs in remote and in hard-to-reach areas.
- Conduct routine dental and eye health services both at static and hard to reach areas.
- Work with partners in offering ART services at AeroMED.
- Increase integrated reproductive health and child health week both in hard-to-reach areas and at AeroMED.
- Increase access to diagnostic and pharmacy services in hard to reach and AeroMED.

In this report, performance is measured by comparing similar periods (2022 and 2023).

STRATEGIES

2.0.1 Emergency Medical Evacuation

Emergency medical evacuations are part of the Services' core mandate, the table below illustrate performance against the set targets.



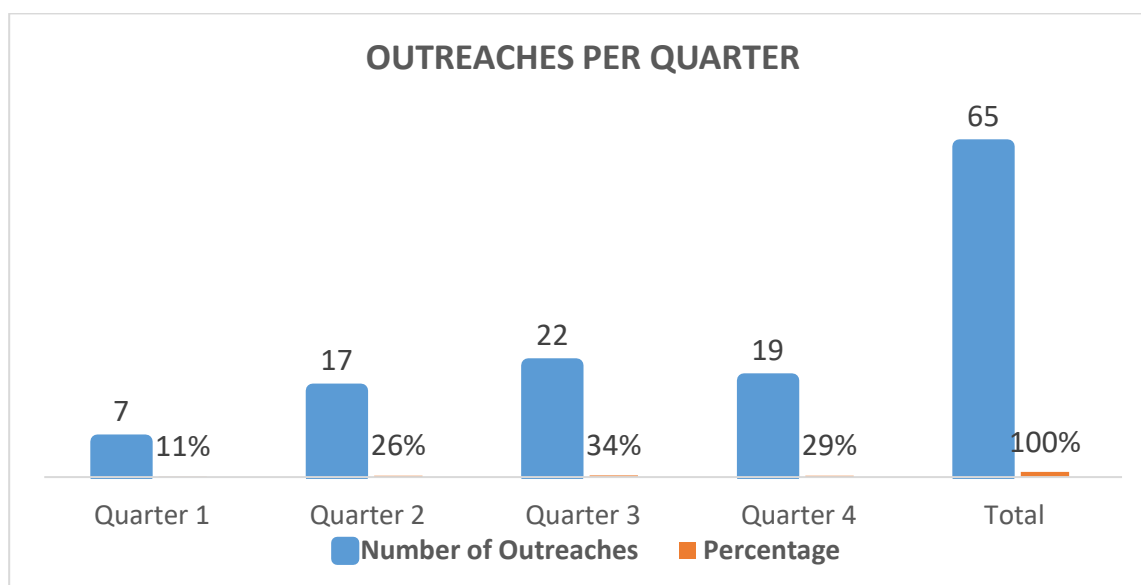
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Financial Statements for the Year Ended 31st December 2023

INDICATOR	ANNUAL TARGET	ACHIEVEMENT		COMMENT
		2022	2023	
No. of emergency patients evacuated and attended to per annum.	24	27	94	Comparing 2022 to 2023, the department recorded more than 100% achievement and met the annual targets.

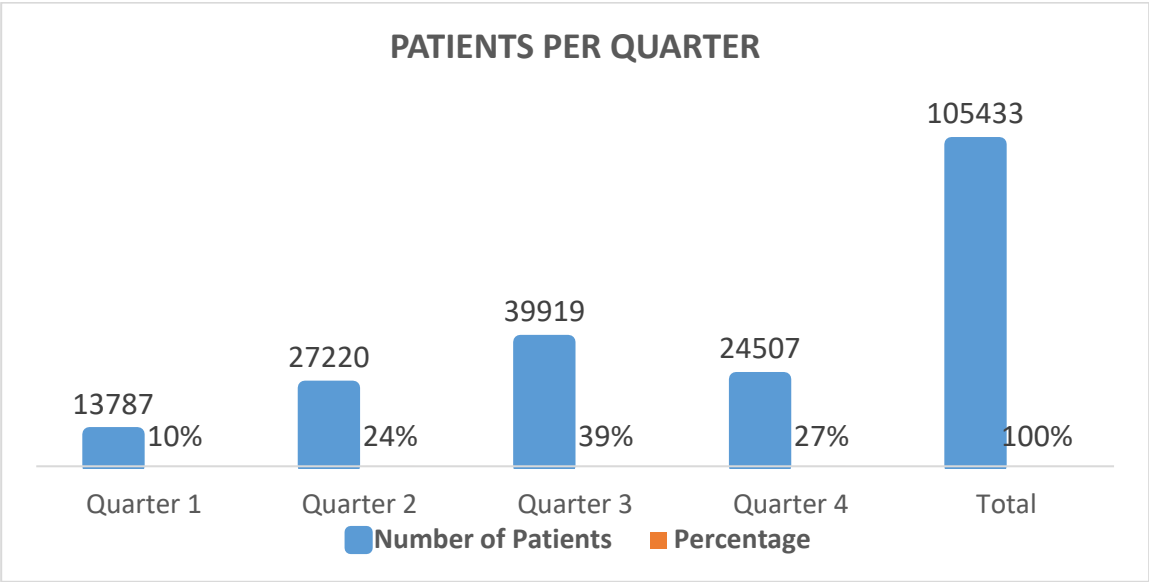
- Majority of patients were evacuated by air 86% (81/94) while 14% (13/94) were done by land.
- Overall, 76% (71/94) were requested by Ministry of health, 18% (17/94) by private and 6% (6/94) was Zambia Flying Doctor Service.

2.0.2 ROUTINE AND SPECIALIZED MEDICAL OUTREACH

Zambia Flying Doctor Service through the medical department, conducted 65 routine outreach health service in different parts of the Country. The figure below shows the number of outreaches conducted per quarter in this reporting year.



In quarter two, three and four, new areas were identified and cumulatively a total of 105,433 patient were screened and managed from different communicable and non-communicable diseases. The figure below shows the attendance of patient in each quarter.



The figure above shows the distribution of patients in the year ending 2023, in this reporting period the majority of patients were seen in quarter 2, 3 and quarter 4, this was due to an increase in the number of outreach and facilities that were visited.

2.0.3 MEDICAL OUTREACH

The table below show performance against the annual target set for the year 2023

INDICATOR	ANNUAL TARGET	2022 ACHIEVEMENT	2023 ACHIEVEMENT	COMMENT
No. Medical outreach programs	24	23	65	The achievement against the annual report was more than 100% in the reporting period, majority of the outreach programs

ZAMBIA FLYING DOCTOR SERVICE**Financial Statements for the Year Ended 31st December 2023**

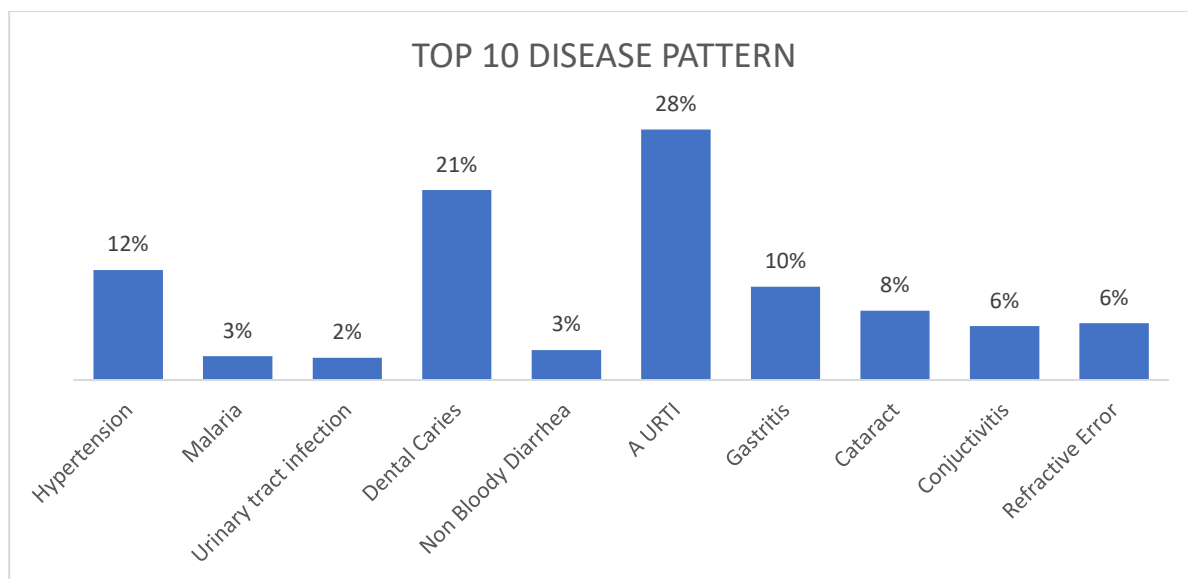
				were conducted in quarter 2, 3 and 4.
No. of Health facilities visited	72	76	286	More facilities were visited in 2023 as compared to 2022.
No. of patients seen during the outreach	3600	7023	105,433	The team achieved more than 100% against the annual target. 14,946 patients seen from special outreaches and when AeroMED KK was operating as outreach site, cumulatively the team attended to 105,433 patients in 2023.

2.0.4 DISEASE AND TREATMENT PATTERN

Remote and hard to reach areas remains vulnerable to both communicable non-communicable diseases and emerging emergencies, in this reporting period the Service endeavoured to offer primary health care ranging from screening, diagnosis and treatment at no cost to the members of the communities. Below are the top ten diseases that were encountered in 2023.



ZAMBIA FLYING DOCTOR SERVICE
Financial Statements for the Year Ended 31st December 2023

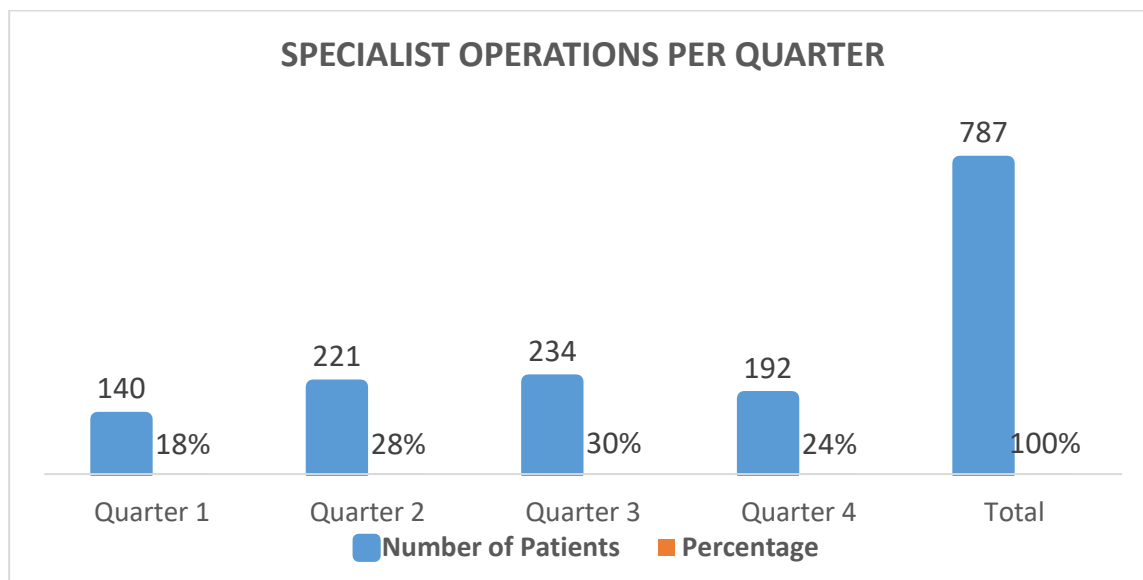


In this reporting period, notifiable diseases such as:

- Anthrax in Sinazongwe, these cases were on the rise in both urban and rural parts of the districts.
- Cholera cases that were on the rise since October 2023.

2.0.5 SPECIALIST TREATMENT

Specialized health care services were included in most of the outreaches that were conducted throughout the year, specialized treatment included surgical operations, obstetric emergency and elective management of both obstetric and gynaecological cases and cataract operation following past line lists. The figure below illustrates performance of the department per quarter and comparing 2022 and 2023.



ZAMBIA FLYING DOCTOR SERVICE
Financial Statements for the Year Ended 31st December 2023

The Service performed very well in quarter two, three and four as compared to the the first quarters. Majority of patients were operated on in quarter three (03) General Surgeons, Obstetricians and Gynecologist and Ophthalmologist / Cataract surgeons, the patients benefited from different life saving operations at no costs. The table shows performance against the annual target set in the action plan and comparing 2022 to 2023.

INDICATOR	ANNUAL TARGET	2022 ANNUAL ACHIEVEMENT	2023 ANNUAL ACHIEVEMENT	COMMENT
No. of health facility visits	24	16	27	Specialists comprised of surgeons, obstetrician and ophthalmologists / Cataract Surgeons and were stationed at the district's hospitals during the all period of the outreaches. In this reporting period the Service achieved more than 100% set targets.
No. of patients seen in the report under review	290	479	787	A total number of 787 patients were attended to and offered various specialized treatment and operations.



ZAMBIA FLYING DOCTOR SERVICE
Financial Statements for the Year Ended 31st December 2023

2.0.6 ROUTINE DENTAL HEALTH SERVICES

The Dental section of ZFDS has been part of all the outreach programs that were carried out throughout the year, the commonest diseases encountered was the dental carries and the services that were conducted included routine dental check-ups, oral health education and sensitization to procedures such as teeth extraction. This table shows performance against the annual targets.

INDICATOR	ANNUAL TARGET	2022 ANNUAL ACHIEVEMENT	2023 ANNUAL ACHIEVEMENT	COMMENT
No. Dental attendances per year per annum	900	1757	11,270	The Service achieved 1,254% achievement against the set targets
No. of Special Oral Health programs conducted in the rural communities and schools per annum	4	1	6	Six special oral health programs were conducted in the period under review resulting in 150% (6/4).
No. of clients screened special oral health programs in the rural areas and schools	2500	241	964	Despite not reaching the target 38.5% (964/2500) more clients attended the special oral health

ZAMBIA FLYING DOCTOR SERVICE
Financial Statements for the Year Ended 31st December 2023

				programs as compared to those in 2022.
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The Service performed very well in 2023 as compared to 2022, more patients benefited from the dental department with majority of patients with dental carries ending up with tooth extractions.

2.0.7 EYE HEALTH SERVICES

The eye department of ZFDS took part in all the planned outreaches for 2023. The department performed very well in all the quarters with more patients benefiting from eye health screening medical treatment and operations. Reading glasses were also distributed in all the planned outreaches that were conducted with compressive eye health education focusing on prevention and common illness. The table below shows performance against the set targets.

INDICATOR	ANNUAL TARGET	2022 ANNUAL ACHIEVEMENT	2023 ANNUAL ACHIEVEMENT	COMMENT
No. of attendances for eye health services per annum	11,700	1,885	24,051	More patients were seen in 2023 as compared to 2022. The Service achieved 206% (24,051/11,700)
No. of Special Eye Health programs conducted in the rural communities and schools per annum	4	1	3	The Service conducted more eye health program in

ZAMBIA FLYING DOCTOR SERVICE

Financial Statements for the Year Ended 31st December 2023

				2023 as compared to 2022. Achievement stood at 75% (3/4).
No. of clients screened under special eye health programs in the rural communities and schools per annum	2,500	625	760	Despite the 13% (760/2500) achieved against the set targets, the Service attended to more patients as compared to 2022.

2.3 STATIC ROUTINE MEDICAL SERVICES

Static medical services are only offered at AeroMED center in Ndola with services ranging from general screening, laboratory services, pharmacy, eye and dental health services.

Patients accessing medical services at AeroMED have continued to increase and more patients were attended to 7,727 in 2022 as compared to 21,417 in 2023. This great improvement has been due to 24hour services at the center with more medical staff employed to manage the center.

The table below show outpatient department attendance disaggregated by age and sex in 2023.

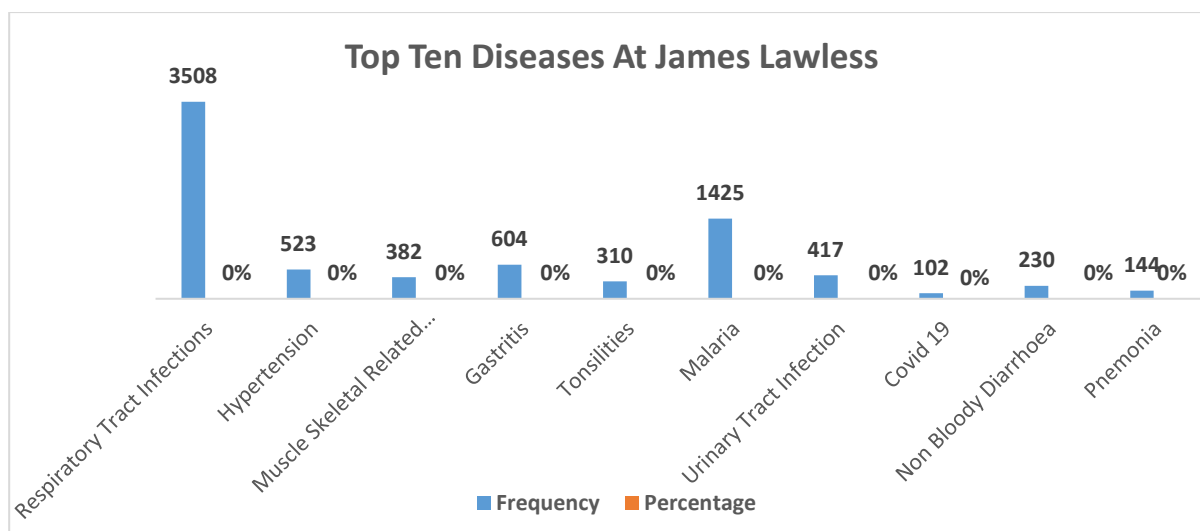
Age Range	Male	Female	Total	%
< 1	229	263	492	2.2%

ZAMBIA FLYING DOCTOR SERVICE

Financial Statements for the Year Ended 31st December 2023

1 – 4	843	925	1,768	8.3%
5 – 14	1,136	1,500	2,636	12.3%
15 – 34	4,410	6,750	11,160	52.1%
35 -49	601	1,191	1,792	8.4%
50 +	1,441	2,128	3,569	16.7%
Total	8,660	12,757	21,417	100%

The diagram below shows the top ten diseases that were diagnosed on patients attended to as first attendance only in outpatient department.



2.3.1 DENTAL HEALTH SERVICES

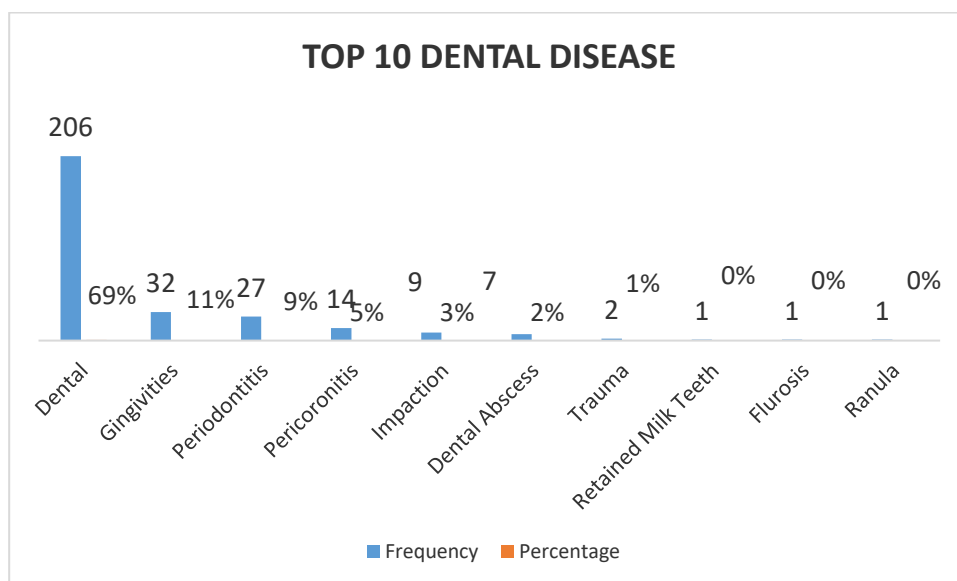
The commonest disease in this reporting period was Dental caries, this was observed among all the age groups. The table below shows the static performance at AeroMED center.

Indicator	2023 Achievement	Comment
		The Service has continued to record high number of patients following the upgrading of the Dental section and

ZAMBIA FLYING DOCTOR SERVICE
Financial Statements for the Year Ended 31st December 2023

No. of attendances for eye health services	1620	increase in the number of procedures under NHIMA. In this reporting period, the most common illness was dental carries and the common procedure done were scaling / polishing and tooth extractions.
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The top 10 diseases pattern in 2023 is illustrated in the figure below, with dental carries making up 69 % of all the diseases that were diagnosed fluorosis, retained milk teeth and Ranula were the least common diseases that were seen.

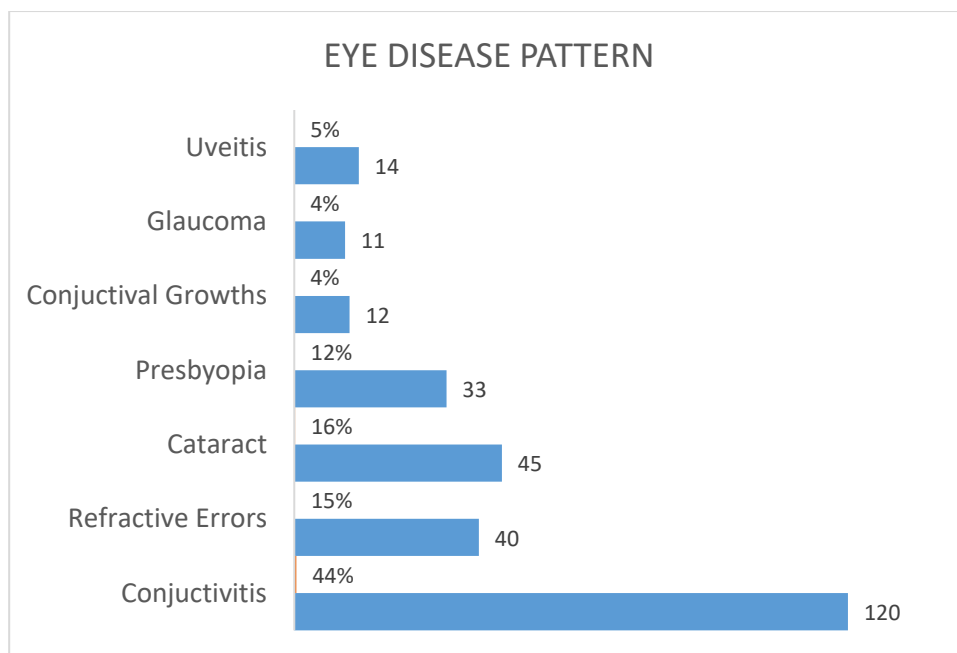


2.3.2. EYE HEALTH SERVICES

In this reporting period the eye department recorded an increase in the number of patients at AeroMED center. The figure below shows the annual performance.

Indicator	2023 Achievement	Comment
No. of attendances for eye health services	1,664	Equally, the Service recorded high numbers of patients in quarter 2, 3 and quarter 4 due to the facility been NHIMA accredited and inclusion of robust screening in the routine eye services.

ZAMBIA FLYING DOCTOR SERVICE
Financial Statements for the Year Ended 31st December 2023



2.3.3. DIAGNOSTIC SERVICES

ZFDS has continued to offer quality investigation from the requests that the department received. Majority of tests 74% were done at AeroMED center while 26% were done in outreaches.

At AeroMED a steady increase has been noted in its achievement against annual target due to the 24hour operational of the department and the involvement of the department in all the outreach programs. Below is performance against targets and the table of the different tests done in quarter three.

Indicator	Annual Targets	2022 Achievements	2023 Achievement	Comment
Number of laboratory investigations carried out	9,000	15,650	22,035	Cumulatively the Service has done 22,035 different investigations from the available tests at James Lawless Medical Centre and this was an increment from the 2022 achievements.

ZAMBIA FLYING DOCTOR SERVICE
Financial Statements for the Year Ended 31st December 2023

2.3.4.1 INVESTIGATIONS DONE

S/N	TESTS	POSITIVE	NEGATIVE	TOTAL	COMMENT
1	Malaria RDT	1,225	5,017	6,242	The positivity yield among the patients with symptoms of Malaria 19.6% (1,225/6,242) in 2023 with Quarter four recording the majority of cases.
2	B/S	388	1,054	1,442	Majority of the patients tested through blood slide was equally high among patients with symptoms of malaria 27% (388/1442) of blood slides were positive.
3	HB Haemacue			319	This test is prioritized for outreach programs.
4	Covid -RDT	45	440	485	From the total 485 Covid 19 Antigen test done, 9% (45/485) were positive. Covid - 19 was most common in Quarter two of 2022.
5	FBC			2,380	This was the second most common test that the clinicians requested for in 2023.
6	Urine Microscopy	3	5	8	These were urine microscopy
7	Stool	1	5	6	These were the microscopy.
8	HIV	54	360	414	Positivity yield for HIV was at 13 % in this reporting period.
9	RPR	79	671	750	These tests were mostly conducted among PLHIV and Antenatal mothers.
10	Gravidex	100	250	350	The Positivity yield stood at 28%
11	Blood group			23	These were per request from individual patients and screening tool for antenatal mothers
12	FBG/RBG			1,391	These were both the fasting and random blood glucose levels for both patients who are living with Diabetes and emergence cases, 28 were FBG while 1,363 were RBG.
13	Sputum	16	55	71	Sputum samples were only examined through the Microscopy of which 23% were positive.
14	HBV	37	355	392	These tests were mostly conducted among PLHIV.

ZAMBIA FLYING DOCTOR SERVICE**Financial Statements for the Year Ended 31st December 2023**

15	Viral Load			145	These were collected at AeroMED and curried to Ndola for testing. Suppression rate remains at 95% among PLHIV.
16	ALT			115	The Chemistry analyser was not functional in quarter one of 2023, however tests were carried out from quarter two onwards.
17	AST			92	The Chemistry analyser was not functional in quarter one of 2023, however tests were carried out from quarter two onwards.

2.3.4.2. IMAGING SERVICES

AeroMED offers imaging services such as Ultrasound scan and x - rays upon request from clinicians. These requests also come from the patients accessing health services even from other clinics and hospitals.

INDICATOR	ANNUAL TARGET	2022 ACHIEVEMENT	2023 ACHIEVEMENT	COMMENT
Ultrasound Scan services; Number of ultrasound scan examinations carried out per annum	200	284	3,112	The Service exceeding the annual targets and comparing 2022 to 2023 the Service recorded an increase in the number of examinations done both at static and during outreaches. From the total 1,653 were done at static sites while 1,459 were done in different outreaches.

ZAMBIA FLYING DOCTOR SERVICE

Financial Statements for the Year Ended 31st December 2023

X-ray services; Number of x-ray examinations carried out per annum	200	0	157	The Service started conducting x rays and show a steady increase in numbers at static centres.
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2.5 PHARMACEUTICAL SERVICES

The drug supply chain remains an important component in the running of both the outreach and static medical services. The Service has maintained a 93% drug availability in 2023.

Below is the performance of the pharmacy department against both the annual and the quarterly targets.

INDICATOR	ANNUAL TARGET	ACHIEVEMENT AGAINST 2022 TARGETS	ACHIEVEMENT AGAINST 2023 TARGETS	COMMENTS
1. Availability of medicines and medical supplies at Medical Centre	95%	94%	93%	Drug availability has been maintained above 90% through out the year, this include both static and outreach medical supply.

The Service recorded 77% of medical consumption from the medical outreaches that were conducted and 23% consumption was from the AeroMED center. Among the most consumed antibiotics in the outreach programs conducted were the Metronidazole and amoxyclyne while nifedipine accounted for the most common antihypertensive medicine and the least was Coartem (Artemether- Lumefantrine).

ZAMBIA FLYING DOCTOR SERVICE
Financial Statements for the Year Ended 31st December 2023

2.6 ART (HIV/TB/STIs/CTC/MC/PMTCT) Services

James Lawless AeroMED centre with support from Pact / Cirdz and Ndola district health office (NDHO) offers ART services only for adult populations. In 2023 the center recorded great improvement in the management of HIV among the adult population with suppression rate maintain above 94% and all transitioned to DTG based regimen.

The table below shows the annual performance against targets.

INDICATOR	ANNUAL TARGET	2022 ACHIEVEMENT	2023 ACHIEVEMENT	COMMENT
No. of Clients Currently on ART	795	786	842	The section under ZFDS met the annual target under the Treatment Current (Tx. Cur) targets, currently all the clients access Art are active with a recent viral load on file.
No. of clients counselled	700	694	881	Most of the patients who passed through the outpatient department were counselled and subjected to a screening tool.
No. of clients Tested	715	334	346	Through the use of screening tool and subjecting a test to the right patient, the Service recorded a reduction in the number of patients tested.

ZAMBIA FLYING DOCTOR SERVICE
Financial Statements for the Year Ended 31st December 2023

No: Clients Initiated on ART	192	24	75	Despite a reduction in the number of patients testing positive, the Service recorded an increase in the positivity yield from 7% to 22%.
No. of new TB patients tested for HIV	16	10	1	In the reporting period no facilities available for TB testing in view of no Gene -Xpert

2.7 INTEGRATED REPRODUCTIVE HEALTH (IRH)

This indicator measure performance of the department against reproductive and maternal health at AeroMED center in Ndola. The center has continued to improve on the services been offered in the department with great emphasis on actualizing the maternity wing. In the period under review the department opened its first maternity wing at James Lawless Medical Centre. Below is the performance against the annual target and comparing 2022 to 2023.

INDICATOR	ANNUAL TARGET	2022 ACHIEVEMENTS	2023 ACHIEVEMENTS	COMMENT
No. of clients accessing integrated reproductive health care services	1150	128	188	The Service was far from reaching the set annual target, however patients accessing IRH increased from 128 in 2022 to 188 in 2023.
IRH - Focussed Ante-Natal visits	450	53	291	Despite not meeting the annual targets the Service has continued to show great improvement

ZAMBIA FLYING DOCTOR SERVICE**Financial Statements for the Year Ended 31st December 2023**

				in the number of patients accessing focussed ante-natal from first trimester to the 3 rd trimester. Comparing 2022 to 2023, the Service recorded more women accessing the services in 2023.
No. of deliveries conducted by ZFDS personnel	65	0	1	Numbers expected to drastically change following the opening of the maternity wing.
No. of new family planning	600		28	Post-natal services are equally expected to rise

2.8 CHILD HEALTH

Child health and the immunization of the under five children remains to be an important activity under the medical department, activities usually include both the static and outreach programs targeting children who would have missed the important vaccines and those who are due for different vaccines and scheduled growth monitoring programs.

INDICATOR	ANNUAL TARGET	2022 ACHIEVEMENT	2023 ACHIEVEMENT	COMMENT
No. of children immunised at AeroMED	1650	226	277	The static site recorded an increase in the number of

ZAMBIA FLYING DOCTOR SERVICE
Financial Statements for the Year Ended 31st December 2023

				children accessing under five clinic
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3.0 AVIATION DEPARTMENT

1. INTRODUCTION

The main objective of the department is to provide aviation services in order to facilitate provision of aero-medical and other air transport services.

The Aircraft Maintenance Section is responsible for provision of aircraft, communication equipment maintenance and repair services. It also incorporates an Inspectorate Unit which is responsible for certification of the airworthiness of aircraft and licensing of the hangar in accordance with Zambia Civil Aviation Regulations.

While Operations section focuses on the provision of flight services including flight dispatch, flight planning, flight safety and aviation security.

This report covers the routine and planned activities carried out in Aircraft, Ground Radio and Motor Transport sections for the period January to December, 2023.

2. PERFORMANCE

RESULT CHAIN	INDICATOR	ANNUAL TARGET	ACHIEVEMENT			
			2023	2022	2021	COMMENTS
Sub Output 2.1.2 Preventive Repairs and Maintenance	No. of Inspections carried out per aircraft annually	4	7	6	4	Only one aircraft was serviceable 2021, 2022 and part of 2023
Sub Output 2.1.3 Procurement of suitable aircraft	No. of aircraft available annually	3	2	2	2	No aircraft was acquired

ZAMBIA FLYING DOCTOR SERVICE**Financial Statements for the Year Ended 31st December 2023**

Sub Output 2.2.1 Airstrips Maintenance	Number of Serviceable airstrips available annually	12	1	0	12	12 airstrips were available, in 2023, one airstrip was maintained and certified by ZCAA and five others were maintained awaiting ZCAA certification
Sub Output 2.3.1 Compliance to local and international aviation standards and regulations	No. of compliance operating certificates acquired/ renewed annually	25	21	21	21	No aircraft procured thus the C of A, Certificate of Release to Service (CRS), Radio License and weight schedule not compliant

3. AIRCRAFT STATUS**a. Aircraft Inventory**

TYPE	REG	YEAR OF REGISTRATION/ PURCHASE	AIRCRAFT SERIAL NO.	ENGINE SERIAL NO.	REMARKS
C208B Grand Caravan 1	9J – FDS	2003	C208B 1029	PC 1015	Serviceable
C208B Grand Caravan 1	9J – AGC	2002	C208B 0999	PC 1050	Serviceable

b. Aircraft Engine Status

Aircraft Registration	S/N	Total hours	Time between overhaul	Total time since overhaul	Hours remaining before Overhaul
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ZAMBIA FLYING DOCTOR SERVICE
Financial Statements for the Year Ended 31st December 2023

9J – FDS	PC1015	5,030:45	3,600	1,426:00	2,174:00
9J – AGC	PC1050	3,646:35	3,600	175:05	3,424:55

3.1 Aircraft Propeller Status

Aircraft Registration	Time between overhaul	Total hours since last overhaul	Hours remaining before overhaul	Propeller Calendar date before overhaul
9J – FDS	4,000hrs/ 6 years	1,133:00	2,867:00	11/06/27
9J –AGC	4,000hrs/ 6 years	414:15	2,585:45	12/03/26

3.2 Aircraft maintenance

The target on Cessna 208B aircraft is to carry out one maintenance inspection every 100 flight hours or 90 days whichever comes first. Other scheduled inspections include 200- or 400-hour interval inspection items contained in the engine, wing, empennage and fuselage areas.

3.3 Aircraft maintenance/Repairs

During the period under review the following works were carried out: -

- i. Successfully carried out test cell on the overhauled engine at Standard Aero in South Africa and later the engine with other engine spares were ferried back using Zambia on 9J-FDS
- ii. Engine on 9J-AGC was successfully overhauled and installed back on the aircraft, Certificate of Airworthiness renewal inspection carried out and subsequently a test flight was done and C of A was issued from 25th August 2023 to 24th August 2024 and the aircraft was finally back after being grounded for over six years.

ZAMBIA FLYING DOCTOR SERVICE
Financial Statements for the Year Ended 31st December 2023

- iii. Annual maintenance and test flight for C of A renewal was carried out on 9J-FDS and the certificate was issued from 13th September 2023 to 12th September 2024.
- iv. The Air Operators Certificate (AOC) was extended from 31st July to 31st December 2023.
- v. Three and eleven defect rectification works were carried out on 9J-AGC and 9J-FDS respectively.
- vi. Review of Operations Manual – Part D submitted to ZCAA and the manual was approved.
- vii. Carried out Non-Destructive Testing on 9J-FDS axle and wing strut bolts

3.4 Maintenance conducted outside Zambia

Carried out propeller balancing, calibration of precision instruments, fuel nozzle cleaning and borescope inspection as well as Nose oleo servicing on 9J-FDS at Aerotech Zimbabwe

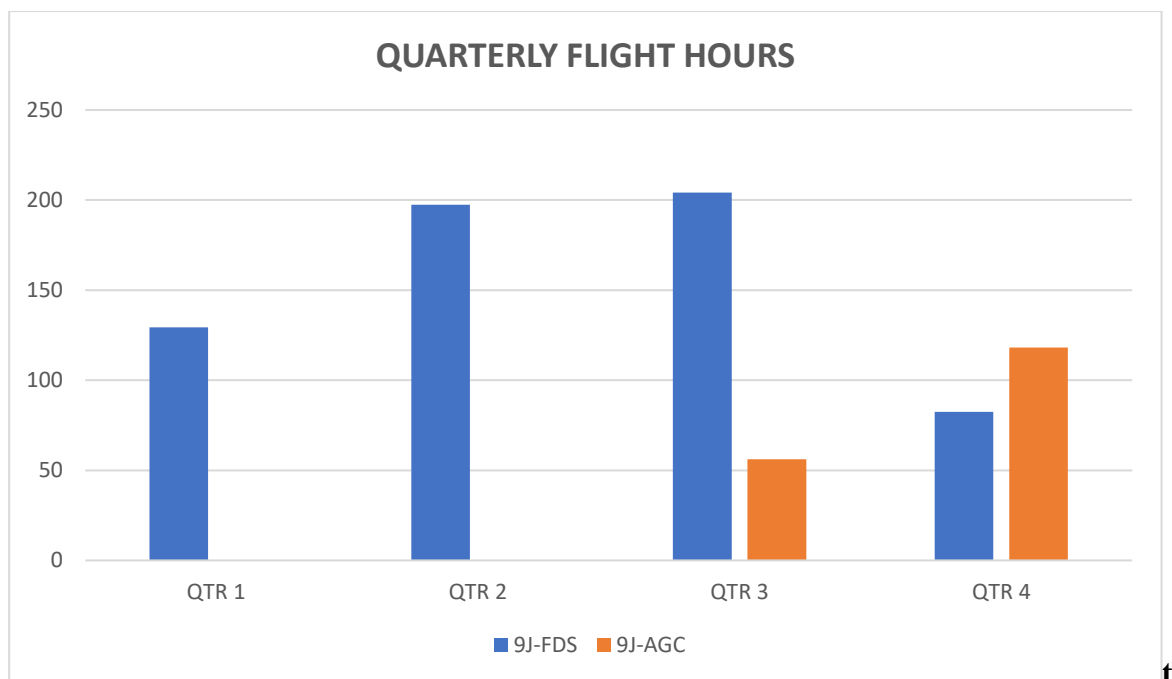
A/C Registration	Inspection	Qtr 1	Qtr 2	Qtr 3	Qtr 4
9J – AGC	Scheduled	Nil	1	Nil	1
9J – AGC	Defect rectification	Nil	Nil	Nil	3
9J – FDS	Scheduled	1	2	2	2
9J – FDS	Defect rectification	5	Nil	2	4
Total		6	3	4	10

Performing nine scheduled inspections and carrying out 14 defect rectifications during the review period demonstrates a proactive approach to maintenance and safety within the organization. Scheduled inspections are crucial for identifying potential issues before they escalate into larger problems, helping to maintain the airworthiness of the aircraft fleet. Additionally, promptly addressing defects through rectifications ensures the continued reliability and safety of the aircraft during operations.

3.5 Quarterly Flight Hours



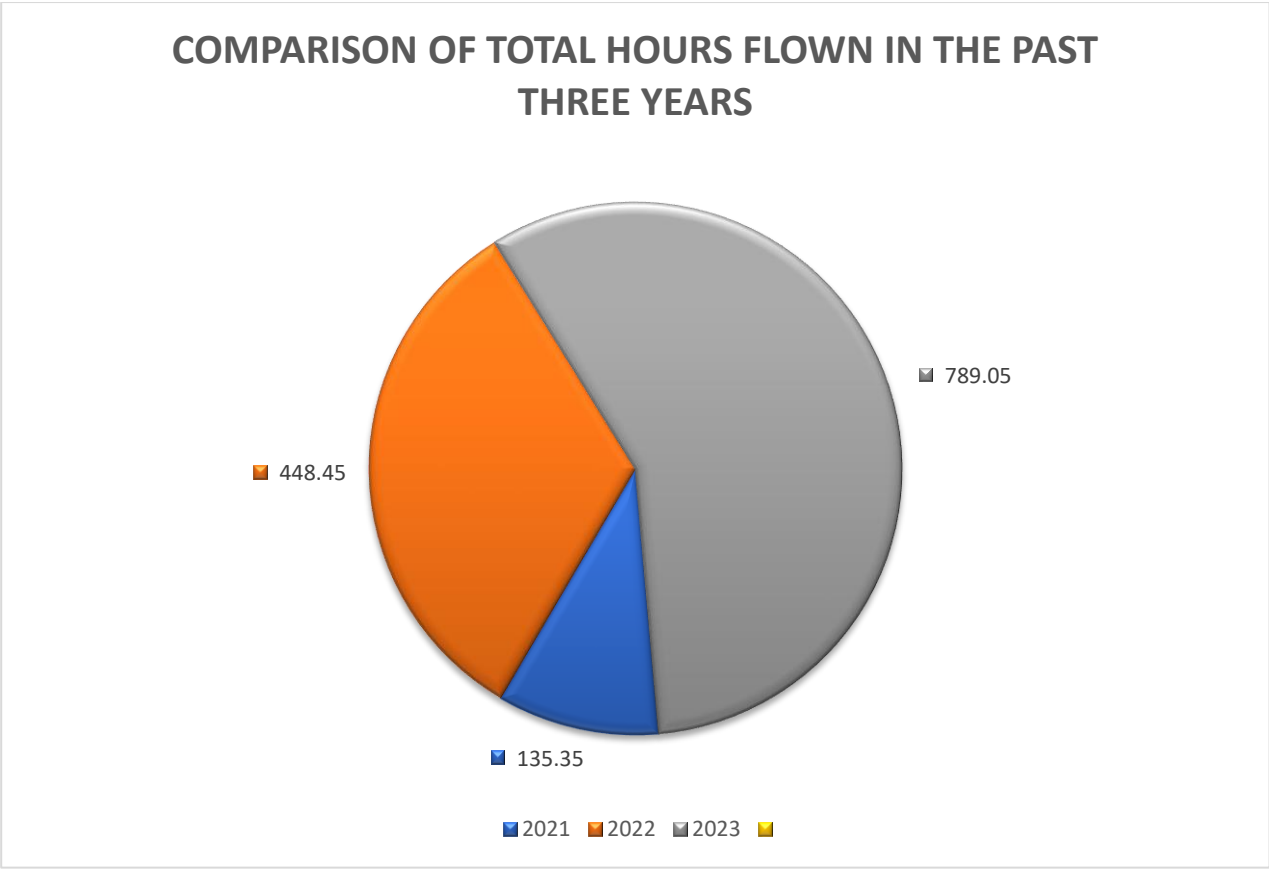
ZAMBIA FLYING DOCTOR SERVICE
Financial Statements for the Year Ended 31st December 2023



Quarterly aircraft performance: Quarter one 9J-FDS flew 129:45, quarter two 197:40 while 9J-AGC flew 25 minutes as a shake down check after engine installation. In quarter three 9J-FDS flew 204:20 while 9J-AGC clocked 56:15 hours. Finally in quarter four 9J-FDS clocked 82:50 and 9J-AGC clocked 118:25. In 2023 aircraft registration 9J-FDS clocked a total of **614:35** hours while 9J-AGC clocked **175:05** hours.

3.6 Hours Flown for the past years

AIRCRAFT	2023	2022	2021	2016
9J- AGC	175:05	Nil	Nil	117:30
9J – FDS	614:35	448:45	135:25	113:30
TOTAL	789.05	448:45	135:35	231:00



The significant increase in total flight hours from 2021 to 2023 indeed reflects a substantial growth in operational activity, which is noteworthy when compared to previous years like 2016 when both aircraft were operational. The introduction of dynamic, aggressive, visionary management played a pivotal role in driving this growth by implementing strategic initiatives to enhance operational efficiency and capitalizing on opportunities for growth.

Moreover, the installation of the overhauled engine for 9J-AGC in September 2023 contributed significantly to increasing the fleet's operational capacity.

A well-maintained and reliable aircraft fleet is essential for meeting the demands of increased operational activity and ensuring the safety and satisfaction of passengers.

3.7 Flight Activity Performance

S/N	Planned	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
CHARTERS	-	1	6	9	10	26
OUTREACH PROGRAMS	78	9	24	22	19	74

ZAMBIA FLYING DOCTOR SERVICE
Financial Statements for the Year Ended 31st December 2023

MEDICAL EVACUATIONS (MOH)	60	15	14	14	14	57
MEDICAL EVACUATIONS (PRIVATE)	-	2	2	1	2	7
Others (Admin, maintenance and refueling flights)	-	15	9	14	9	47
TOTAL FLIGHTS		42	55	60	54	211
TOTAL HRS FLOWN	-	129:45	197:40	260:35	201:15	789:05

i. Outreach Programs

The comparison between the numbers of planned and executed outreach programs in the period under review and in 2022 highlights a significant difference. In the current review period, 78 outreach programs were planned, with 74 executed, achieving a commendable 95% completion rate. This contrasts with only 20 outreach programs conducted in 2022.

The underperformance in executing all planned outreach programs can be attributed to the constraint of having only one operational aircraft available for medical evacuations and other activities. This limitation impacted the organization's ability to reach all intended locations efficiently. However, the fact that some outreach programs were still carried out via land transport demonstrates adaptability and commitment to fulfilling the organization's objectives despite challenges.

ii. Medical Evacuation

In 2023, fifty-seven (57) Ministry of Health generated medical evacuations were conducted and seven (7) private generated evacuation were conducted bringing the total medical evacuation to sixty-four (64) evacuations compared to twenty-one (21) total medical evacuations conducted in 2022. The rise in medical evacuations in comparison with the previous years is attributed to the vigorous sensitization of ZFDS operations being done on media and also during outreach programs where people were made aware of how to access and use the Services of ZFDS. The increase is also attributed to operationalization of the other aircraft which was grounded since 2017.

iii. Charters

From the table it is evident that 26 charter flights were executed compared to 110 charter flights carried out in 2022 where there was a corporate air Lease agreement.

4.0 CONSTRUCTION / MAINTENANCE SECTION

During the period under review the following projects were successfully done:

4.1 AeroMED Lawless

- i. Wall fence renovation and installation of razor wire, renovation of maternity wing, OPD, laboratory unit, dental unit, eye clinic and MCH.
- ii. Construction of the car park
- iii. Installed second submersible and booster pumps at AeroMED Lawless

4.2 Head Quarters

- i. Construction of the drainage, renovation of contact Centre and canteen was completed
- ii. Installation of fume extractors at the inflammable store
- iii. Carry out Click Up configuration on all Senior management staff laptops

4.3 AeroMED KK

- i. Water supply and connection of sewer line to three mobile trucks (Theatre, Dental, and Laboratory) was done
- ii. Construction of the manhole for water pump installation.

5.0 SMART CARE PLUS

Migration to the new SMART CARE PLUS marked a major achievement for the Service. Twenty (20) laptops were deployed under the project which has streamlined processes and enhanced data accessibility with improved patient care, smoother administrative workflows, and increased operational efficiency.

6.0 AIRSTRIP MAINTENANCE

During the quarter under review:

- i. Carried out the rehabilitation of Mothers shelter, installation of HF Radio communication, solar and the airstrip at Mushiwe rural Health Centre (W2).
- ii. Visit to Kyanika, Chilubi Island, Fwaka, Kapata and Mofu for airstrip assessment was undertaken awaiting Zambia Civil Aviation Authority certification

7.0 MOTOR TRANSPORT SECTION

7.1 Inventory of Current Land Transport

ZFDS started the year with six vehicles, on 20th September 2023 an additional vehicle registration number GRZ 746 CN from Ministry Of Health was added to the fleet. On the other hand Vehicle registration No. ABK 5026 was involved in an accident on 21st August 2023 on the way to Mushiwe Rural Health Post to collect staff on assignment. The claim was paid for by Zambia State Insurance Corporation (ZISC).

The incident involving vehicle registration No. ABK 5026 highlights the risks associated with transportation, especially when conducting outreach programs via land transport.

To address these challenges and enhance operational efficiency, ZFDS should consider acquiring more vehicles, including a bus and four utility vehicles. These additions would not only help in expanding the fleet but also ensure better coverage for outreach programs and other organizational activities.

Overall, investing in additional vehicles and improving transportation logistics will be crucial for ZFDS to fulfill its mission effectively and reach communities in need.

ZAMBIA FLYING DOCTOR SERVICE**Financial Statements for the Year Ended 31st December 2023**

MAKE	REGISTRATION	YEAR OF MANUFACTURE	RUNNER/ NON-RUNNER	COMMENTS
Toyota Land Cruiser	GRZ 747 CN	2016	Runner	Good condition
Toyota Land Cruiser	ALX 2534	2013	Runner	Good condition
Toyota Land Cruiser	AHL 5329	2012	Runner	Good condition
Inveco Ambulance	GRZ 915 CK	2013	Runner	Good condition
Nissan Patrol	GRZ 184 CL	2013	Runner	Good condition
Toyota Raider	ABK 5026	2007	Runner	Good condition
Mobile Truck	GRZ 997 CF	2010	Runner	Dental, Ophthalmology ENT
Mobile Truck	GRZ 996 CF	2010	Runner	Theatres
Mobile Truck	GRZ 998 CF	2010	Runner	Generator set
Mobile Truck	GRZ 114 CH	2010	Runner	Kitchen
Mobile Truck	GRZ 995 CF	2010	Runner	X-Ray
Mobile Truck	GRZ 143 CH	2010	Runner	Pharmacy
Mobile Truck	GRZ 976 CF	2010	Runner	Laboratory

8.0 GROUND RADIO SECTION

The main objective of the unit is to provide technical support services in order to facilitate smooth operations, installations, maintenance and repair works of telecommunication equipment and renewable energy.

ZAMBIA FLYING DOCTOR SERVICE

Financial Statements for the Year Ended 31st December 2023

In the period under review the section embarked on the programme of assessing HF Radio Communication, Windsocks, Airstrips and Airstrip Marker Installations in the Rural Health Centres in readiness for repair and replacement. Hence four trips were undertaken were fifteen Rural Health Centres in North-western, Western, Central, Eastern and Luapula Province were assessed. The findings in all the centres reviewed that the airstrips were not serviced, no safe water, no lighting, no division between maternity and main wards and no radio communication as some areas were not well covered by communication service.

9.0 ACHIEVEMENTS

- i. The aircraft which was grounded since 2017 was back online after engine overhaul.
- ii. Rehabilitation of Mothers shelter, radio communication and airstrip at Mushiwe rural health centre was a great achievement.
- iii. Rehabilitation of buildings at Headquarters, AeroMED Lawless and KK
- iv. Migration to Smart Care plus.

10.0 CHALLENGES

- i. Fuel bowser need to be acquired for stocking aircraft fuel to avoid many start-ups and landings which are costly for aircraft maintenance.
- ii. Aircraft upholstery and painting need to be done to enhance aircraft safety.

4.0 LEGAL DEPARTMENT

4.1 INTRODUCTION

The role of the Legal & Corporate Affairs Department is to provide legal guidance on aspects of the service that enables achievement of growth objectives. Some responsibilities that may be associated with this role is the concept of Corporate Governance and its attained substantial prominence for systematic and well-organized management of day-to-day corporate affairs and complying with legal and regulatory necessities.



To enhance positive public image of the institution, the department through the Public Relations Unit used various media to disseminate information on activities, innovations and health promotions.

Traditional media namely Television, Radio and Newspaper media houses from both public and private were engaged to undertake coverage of activities pertaining to the ZFDS.

Considering the increasing influence of social media in raising and setting public agenda, the department frequently updated its Facebook and website with content materials about services being rendered.

4.2 Performance Report

During the Period under Review. The Following activities were conducted by the Legal Service and Corporate Affairs department.

4.3 Board Meeting

Owing to the good tenants of Corporate Governance, the ZFDS has an eight (8) member Board of Directors who provide strategic direction to the Service. According to the Board Charter the Board members meet every Quarter to look at the operation of the Service. During the Period under review the 40th, 41st, 42nd and 43rd Board meeting were held.

Engagements were done with different institutions as indicated below:

- i. A follow up letter to DMMU on the amount owed, DMMU working with Auditor General will send a team of Auditors for a review of the information provided on the debt owed.
- ii. An engagement with NAPSA and ZRA on a request for waiver of penalties on the ZFDS account. This request was premised on the fact that ZFDS being a Statutory Body fully funded by the Government of the Republic of Zambia was underfunded to the amount of K19,649,063, which accumulated from underpayments in 2016, 2018, 2019 and 2020. The underfunding had negatively affected the operations of the Service and had resulted in accumulation of statutory debts of K13, 508,674.12. The statutory debts which relates solely to penalties acquired during the stated period have remained outstanding.
- iii. An engagement with the Ministry of Health and the Ministry of Finance on the need for recapitalisation of the ZFDS. The ZFDS has not been recapitalised for a long time resulting in compromised service delivery. The said recapitalisation will enable the Service to procure the required

helicopter, pressurised aircraft, Aero medical equipment, employ the necessary staff and operate effectively.

- iv. Engagement with the World-Bank Drone Technology Stakeholder and meeting held in Lusaka. During this meeting, the team had an opportunity to interact on various aspects including Transport Corridors for Economic Resilience (TRACER) through the World Bank and it has advanced plans to support the government of Zambia in making improvements to the Great North Road (GNR) while also attending to the post-crash care preparedness along this important and busy corridor.
- v. Letter to Airports Corporation on engagement on the subdivision of Stand No. 2965, (HQ)Itawa

A response to our letters was written and they indicated that issues pertaining to the Handover were not adequately concluded even though they were implemented. It was their proposal that engagements with the parent ministries be done thus the Ministry of Health, Ministry of Defence, and Ministry of Transport and Logistics.

5.0 INTERNAL AUDIT

5.1 Introduction

Internal Audit department completed seventeen (15) of the twenty-two (22) audits that were scheduled to be conducted in accordance with the 2023 annual audit plan.

2.0 Internal Audit opinion on the control environment

In our view, the board and management set the example by promoting high standards of integrity and professionalism, which helped the internal control environment to continue to improve. Additional policies were further created and put into effect, such as the contracts policy, the imprest policy, the asset management policy, and the SOPs for outreach. We believe that the entire internal control system has improved over the year, particularly with regard to the management of drugs and medications. This is particularly evident when considering the following:

- 2.1** Monthly report generation was being done for all medicines movement, i.e at Headquarters pharmacy, Lawless and-Kenneth Kaunda AeroMED centres.

ZAMBIA FLYING DOCTOR SERVICE
Financial Statements for the Year Ended 31st December 2023

- 2.2** Supply voucher from HQ pharmacy to AeroMED Pharmacy.
- 2.3** Stock Issue Vouchers from AeroMED Pharmacy to Dispensary.
- 2.4** The use of newly introduced prescriptions that show quantities of medicines given out and also whether the stream of dispensing is NHIMA or Cash basis or Outreach, this has greatly improved accountability for drug/medicines administration.
- 2.5** Fuel management system accountability also improved as monthly flight receipts, invoices and uplift reports were being generated.

3.0 Planned Audits for the year

In the period under review, the department planned to carry out the following Audits:

- i. Medicines Audit
- ii. Expenditure vouching
- iii. ICT Audit -Human Resource Login and logout
- iv. Aviation/Motor transport Operations audit
- v. Human Resource Management Audit
- vi. Procurement process Audit/Stores Management Audit
- vii. Licenses/compliance/Statutory compliance audit
- viii. Finance operations audit-/Imprest/Revenue/Expenditure/Fuel
- ix. Revenue audit
- x. Contract Management audit
- xi. Statutory compliance audit
- xii. SOP for outreaches
- xiii. Revision of fixed asset policy
- xiv. Imprest policy document
- xv. Outreach medicine verification pre and post
- xvi. Coding of office inventory by ministry of transport and Logistics
- xvii. Fuel audit
- xviii. Motor vehicle tracking audit
- xix. Audit of imprest
- xx. Compliance audit (Statutory – Fire section)
- xxi. Revenue assurance audit – (MTM mobile /NHIMA/Cash revenues
- xxii. Online payments Audit

ZAMBIA FLYING DOCTOR SERVICE
Financial Statements for the Year Ended 31st December 2023

xxiii.	Aircraft/Motor vehicle fuel Audit
xxiv.	Online Vehicle Tracking Audit
xxv.	Medicine utilization for outreaches
xxvi.	Human Resource Management/Corporate Governance Audit
xxvii.	Contracts Management audits

4.0 Completed Audits for the year 2023.

In the year ended 31st December, 2023, Internal Audit department undertook and completed the following activities:

- i. Audit of compliance related issues
- ii. Audit of Imprest
- iii. Audit of Aviation Dept. Operations (Land Transport Section operations)
- iv. Expenditure vouching
- v. ICT Audit -Human Resource Login-Vehicle Tracking
- vi. Aviation/Motor transport Operations audit
- vii. Human Resource Management Audit
- viii. Procurement process Audit/Stores Management Audit
- ix. Licenses/compliance/Statutory compliance audit
- x. Finance operations audit-/Imprest/Revenue/Expenditure/Fuel
- xi. Revenue/receipts audit
- xii. Statutory compliance audit
- xiii. SOP For outreaches
- xiv. Imprest policy document
- xv. Outreach medicines verification- pre and post
- xvi. Coding exercise by ministry of transport and Logistics
- xvii. Fuel audit- Aircraft
- xviii. Motor vehicle tracking audit
- xix. Audit of imprest
- xx. Revenue assurance audit MTN mobile transactions /NHIMA /Cash revenue
- xxi. Compliance audit (statutory & fire section)
- xxii. Online payments audit

5.0 Management requests during the year

In the period under review, the following assignments were done as a result of management request:

- i. Biometric system Log-in /out from 1st July 2023 to 30th September 2023.
- ii. Charter Revenue audit – corporate air
- iii. Trade fair expenditure audit
- iv. Former employee compliance audit report

6.0 Audits in progress and statuses

The following audits had been started during the year and were outstanding at the close of the year 2023:

- 6.1.1 Night pharmacy medicines audit
- 6.1.2 Human Resource Management operations audit

7.0 KEY HIGHLIGHTS

- 1.1 In order to improve internal controls, Security section in liaison with ICT section had closed circuit cameras installed at every pharmacy location. Additionally, the medications stored at the pharmacy were divided into three storage categories under one roof with the type of patient being the criteria: NHIMA, Cash, and Outreach.
- 1.2 Changes on prescriptions were made with sections to record the drug name, quantity given out, name of physician, name of pharmacist, HPCZ registration number for medical officer, and whether the medication is covered by either NHIMA, cash or Outreach patients.
- 1.3 A team from the Ministry of Health survey committee numbered and marked the identified obsolete items precisely, preparing the assets for the 2024 auction.



INTERIM AUDITED FINANCIAL REPORT



REPUBLIC OF ZAMBIA
MINISTRY OF HEALTH

ZAMBIA FLYING DOCTOR SERVICE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2023

Peter Zuze Zambia Air Force Base
P.O. Box 71856
NDOLA



TABLE OF CONTENTS	PAGE
<u>THE INSTITUTION PERFORMANCE REPORT</u>	46
<u>EXECUTIVE MANAGEMENT’S REPORT</u>	48
<u>STATEMENT OF RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS</u>	51
<u>INDEPENDENT AUDITOR’S REPORT</u>	8
<u>STATEMENT OF FINANCIAL PERFORMANCE</u>	52
<u>STATEMENT OF FINANCIAL POSITION</u>	3
<u>STATEMENT OF CHANGES IN ACCUMULATED FUNDS</u>	4
<u>STATEMENT OF CASH FLOWS</u>	5
<u>SIGNIFICANT ACCOUNTING POLICIES</u>	6
<u>NOTES TO THE FINANCIAL STATEMENTS</u>	Error! Bookmark not defined.
<u>APPENDICES TO THE FINANCIAL STATEMENTS</u>	Error! Bookmark not defined.

THE INSTITUTION PERFORMANCE REPORT

It is my honour and privilege to provide the background and overview of the performance of the Zambia Flying Doctor Service for the financial year ended 31st December 2023.

Background

Location

Zambia Flying Doctor Service is situated at Plot number 2965, Hangar No 1B at Zuze Airforce base, Ndola.

Mandate

The Zambia Flying Doctor Service is a grant-aided service delivery statutory board under the Ministry of Health that was created under an Act of Parliament No 37 of 1967 with amendment No 18 of 1972 and repealed by act No 25 of 1975 Chapter 298 of the Laws of Zambia. It was founded by Dr. James Lawless in 1965. The FDS Act provides for the establishment, management and development of the Zambia Flying Doctor Service.

The core business of ZFDS is to combat disease among and to promote the health and material well-being of the inhabitants of the rural areas of Zambia and also to provide aero-medical and other health services countrywide.

Vision

To be a reliable and preferred aero-medical service provider contributing to sustainable quality health for all.

Mission

To provide cost effective, quality and efficient aero-medical services in remote, rural and hard to reach areas and other parts of the country in order to combat human diseases and save lives.

Values

The Service seeks to provide its services with integrity, care, respect, confidentiality, cleanliness, impartiality, and excellence.

Business background

ZFDS was established in 1967 and set up 31 Health Facilities around the country most of which have since been handed over to the Ministry of Health. It also runs a Medical Centre in Ndola, which is NHIMA accredited and a recognised ART and Tuberculosis Centre which also offers MCH services. The Medical Centre provides the following services:

1. General Medicine
2. Eye care
3. Dental/Oral Health
4. Laboratory; and
5. Pharmacy



ZAMBIA FLYING DOCTOR SERVICE
Financial Statements for the Year Ended 31st December 2023

Corporate Governance

The Flying Doctor Service Act establishes a Board of nine (9) members appointed by the Honourable Minister of Health. The Board is responsible for strategic direction, and the Board Charter governs ZFDS's corporate governance and mandate. The chairperson of the FDS Board reports directly to the Minister of Health.

Management

The day-to-day operations of the Service are managed by the Chief Executive Officer who is assisted by four (4) directors and four (4) Chiefs responsible for Medical Services, Aviation Services, Legal, and Corporate Affairs, Finance and Administration, Internal Audit, Procurement, and Security.

Address

Zambia Flying Doctor Service
Peter Zuze Zambia Air Force Base
P.O. Box 71856
NDOLA

Major Developments / Key Policies Implemented During the Year

In an effort to address important community health care needs in 2023, the Service carried out a number of activities during the year which included the following:

Item No	Description	Indicator	2022 Achieved	2023 Achieved
1	Aeromedical outreach visitations	No. of routine outreaches conducted	23	65
		No. of Facility Visits	76	286
		No. of Patients attended to	7,023	105,433
		No. of specialised operations carried out	479	787
2	Dental Health Services	Number of dental attendances per year	1,819	11,270
3	Eye Specialist programmes	Number of patients attended to	1,688	24,051
4	Medical evacuations	Number of Medical evacuations carried out	27	94

Dr. Rosemary Kumwenda

BOARD CHAIRPERSON

Date.....



ZAMBIA FLYING DOCTOR SERVICE
Financial Statements for the Year Ended 31st December 2023

EXECUTIVE MANAGEMENT'S REPORT

I have the pleasure of presenting the report of the Service together with the financial statements for the year ended 31st December 2023 which discloses the sources, utilisation and balances of cash for the Service during the year under review.

OPERATING RESULTS

Revenue Performance

During the year under review, the Service generated non-tax internal income amounting to K20,963,506 in 2023 compared to K10,095,338 in 2022 representing 108% growth. See table 1 below.

Table 1: Revenue Performance

	2022	2023
	ZMW	ZMW
Flight Charters	3,856,878	1,249,093
Medical Evacuation	1,807,173	7,480,352
Medical Fees	4,396,648	12,173,589
Land Ambulance Hire	34,640	60,471
	10,095,338	20,963,506

Operational Performance

Income

The above increase is mainly attributable to a 314% and a 177% increase in income generated from medical evacuations and medical fees respectively. The table below shows the total income generated during the financial year:

Table 2: Operational Performance

Operating income	2022	2023
	ZMW	ZMW
Government Grants	30,707,988	30,707,984
Flight Charters	3,856,878	1,249,093
Medical Evacuation	1,807,173	7,480,352
Medical Fees	4,396,648	12,173,589
Land Ambulance Hire	34,640	60,471
	40,803,326	51,671,490
Other income	2022	2023
	ZMW	ZMW
Bank interest	64,935	15,237
Rentals	208,290	-
Sundry income	135,637	283,847
*Donations	48,209,179	13,377,054
Total Income	89,421,367	65,347,628

ZAMBIA FLYING DOCTOR SERVICE
Financial Statements for the Year Ended 31st December 2023

Expenditure

Total operating expenditure amounted to K49,936,073 compared to K31,614,579 for the previous year representing an increase of K18,321,494. This is attributable to costs associated with the increased number of outreach activities conducted, the generation of higher incomes and turnaround operations recorded during the period under review.

Closing Cash Position

As compared to the previous year where we closed with an amount of K13,064,298, in the year 2023 the closing balance was K641,162 which indicated a significant improvement in the utilisation of allocated and internally generated resources.

Related Party Transactions

There were no related party transactions during the financial year ended 31st December 2023.

Property, Plant and Equipment

During the year, the Service incurred K16, 189,278 in capital expenditure, i.e., Property, plant and equipment. In addition, the Service received capital donations in-kind worth K3, 501,280. A Toyota Hilux, registration number ABK 5026 was disposed off during the year following an accident. The disposal through insurance refund yielded a surplus of K281, 024.

Intangible Assets

There were no purchases of intangible assets during the financial year ended 31st December 2023.

Employees

The number of employees at the beginning of the year was 81, which increased to 128 at the end of the year. The increase was due to strategic recruitments conducted during the year and the service saw some employees proceeding on retirement.

The total amount spent on employees' remuneration and welfare during the year was K28, 225,433 compared to K19, 567,278 in the previous year.

Events

Throughout the year, the Service continued to deliver aero-medical services to rural Zambia's hard-to-reach locations. These services were provided in partnership with the District Health Management Teams in each district. Routine and specialized medical outreach initiatives, as well as emergency medical evacuations, were among the services provided. This allowed the Service to contribute to the general theme of "Universal Health Coverage" promoted by the Ministry of Health.



ZAMBIA FLYING DOCTOR SERVICE
Financial Statements for the Year Ended 31st December 2023

Health and Safety of Employees

The Zambia Flying Doctor Service is aware of its responsibilities regarding the safety and health of employees as prescribed in the Occupational Health and Safety Act No.36 of 2010 and took appropriate measures to safeguard their safety and health during the year under review.

Auditor

In line with Article 250 of the Constitution of Zambia (Amendment) Act No.2 of 2016 and Section 73 of the Act of No 25 (repealed) of 1975 Chapter 298, Zambia Flying Doctor Service is audited by the Auditor General.

Dr. George Ng'uni
Chief Executive Officer
Zambia Flying Doctor Service

Date.....



ZAMBIA FLYING DOCTOR SERVICE
Financial Statements for the Year Ended 31st December 2023

STATEMENT OF RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

In line with the requirements of The Flying Doctor Service Act No 25 (repealed) of 1975 Chapter 298 of the Laws of Zambia, Management is responsible for preparing of the financial statements each year which give a true and fair view in all material respects of the state of affairs and of the surplus or deficit for the year, in accordance with the International Public Sector Accounting Standards (IPSASs).

In preparing the financial statements, the Service is required to:-

- Design, Implement and maintain a system of internal controls;
- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed; and
- Prepare the financial statements on the going concern basis.

Management is responsible for ensuring that proper accounting records are kept that disclose with reasonable accuracy at any time the financial position of the Service. Management is also responsible for safeguarding the Service' assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with the Act, the Board of the Zambia Flying Doctor Service, are of the opinion that:

- a) The Statement of Financial Performance is drawn so as to give a true and fair view of the surplus of income over expenditure of the Service for the year ended 31st December 2023,
- b) The Statement of Financial Position gives a true and fair view of the state of affairs of the Service as at 31st December 2023; and
- c) There are reasonable grounds to believe that the Service will be able to pay its debts as and when they fall due.

Signed on behalf of the Service on.....

By:

.....

Dr. Rosemary Kumwenda
Board Chairperson
Zambia Flying Doctor Service

.....

Dr. George Ng'uni
Chief Executive Officer
Zambia Flying Doctor Service





**REPUBLIC OF ZAMBIA
OFFICE OF THE AUDITOR GENERAL**

INDEPENDENT AUDITOR'S REPORT

**STAND No.7901
HAILE SELASSIE AVENUE,
LONGACRES
P.O BOX 50071
LUSAKA, ZAMBIA
E-mail: auditorg@ago.gov.zm
Website: www.ago.gov.zm
Telephone: +260211252611/252771**

To: To the Board of the Zambia Flying Doctor Service

**Report on the Audit of the Financial Statements of Zambia Flying Doctor Service for the
Financial Year Ended 31st December 2023**

STATEMENT OF FINANCIAL PERFORMANCE

For the Year Ended 31st December 2023



**REPUBLIC OF ZAMBIA
OFFICE OF THE AUDITOR GENERAL**

Income	Note	2022 ZMW	2023 ZMW
Operating income	4	40,803,326	51,671,490
Other income	5	48,618,041	13,676,138
Total Income		89,421,367	65,347,628
Expenditure			
Personal Emoluments	6	(19,567,278)	(28,225,433)
Medical expenses	7	(2,739,946)	(9,253,692)
Aviation expenses	8	(3,455,862)	(4,874,557)
Other Administrative expenses	9	(5,851,494)	(7,601,571)
Total operating expenditure		(31,614,579)	(49,955,254)
Earnings before depreciation		57,806,788	15,392,374
Provision for Depreciation	10	(18,916,434)	(14,260,129)
Net Surplus/(Deficit)		38,890,354	1,132,246

These financial statements were approved by the Zambia Flying Doctor Service on.....and signed on its behalf by:

.....
Dr. Rosemary Kumwenda
Board Chairperson
Zambia Flying Doctor Service

.....
Dr. George Ng'uni
Chief Executive Officer
Zambia Flying Doctor Service



REPUBLIC OF ZAMBIA
OFFICE OF THE AUDITOR GENERAL

(The notes on pages 17 to 32 form part of the financial statements)

STATEMENT OF FINANCIAL POSITION

		2022	2023
	Note	ZMW	ZMW
TOTAL ASSETS			
Non-current assets			
Property, plant and equipment	10	195,656,941	200,545,622
		195,656,941	200,545,622
Current assets			
Inventories	11	18,836,309	11,405,708
Trade and other receivables	12	3,678,835	10,773,703
Cash at bank and in hand	13	13,064,298	641,162
		35,579,442	22,820,573
Total assets		231,236,383	223,366,195
REPRESENTED BY			
LIABILITIES AND ACCUMULATED FUNDS			
Current liabilities			
Trade and other payables	14	(62,844)	1,524,487
Provisions and accruals	15	15,277,295	11,351,338
Total current liabilities		15,214,451	12,875,824
Revaluation Reserves and Accumulated Funds			
Revaluation reserves		180,277,779	180,277,779
Accumulated (deficit)/Surplus		35,645,434	30,212,592
Accumulated deficit attributable to the owners of the Service		215,923,213	210,490,371
Total accumulated deficit and liabilities		231,137,663	223,366,195

These financial statements were approved by the Zambia Flying Doctor Service on.....and signed on its behalf by:

.....
Dr. Rosemary Kumwenda
Board Chairperson
Zambia Flying Doctor Service

.....
Dr. George Nguni
Chief Executive Officer
Zambia Flying Doctor Service



REPUBLIC OF ZAMBIA
OFFICE OF THE AUDITOR GENERAL

(The notes on pages 17 to 32 form part of the financial statements)

STATEMENT OF CHANGES IN ACCUMULATED FUNDS

	Accumulated Funds ZMW	Revaluation Reserves ZMW	Total ZMW
As at 1st January 2023	35,645,434	180,376,502	216,021,936
Amortisation of reserves	-	-	-
Prior year adjustment	-	-	-
Realisation of reserves	98,720	(98,720)	-
Movement during the year	(6,663,808)	-	(6,663,808)
Net Surplus/(Deficit) for the year	1,132,246		1,132,246
As at 31 st December 2023	30,212,592	180,277,782	210,490,374
	-	-	-
As at 1st January 2022	(3,444,923)	3,936,587	491,664
Amortisation of reserves	-	-	-
Prior year adjustment	200,000	-	200,000
Movement during the year	-	176,439,915	176,439,915
Net surplus for the year	38,890,357		38,890,357
As at 31st December 2022	35,645,434	180,376,502	216,021,936



REPUBLIC OF ZAMBIA
OFFICE OF THE AUDITOR GENERAL

STATEMENT OF CASH FLOWS

	Note	2022 ZMW	2023 ZMW
Cash flows from operating activities			
Surplus/(Deficit)		38,890,354	1,132,246
Adjustments for:			
Depreciation on property, plant and equipment	10	18,916,433	14,260,129
Prior year adjustment		-	-
Donations	5	(48,209,179)	(13,377,054)
Interest Received	5	(64,935)	-
		9,532,673	2,015,320
Inventory	11	124,869	7,430,601
Trade and other receivables	12	208,507	(7,318,463)
Trade and other payables	14	(3,253,250)	1,587,331
Net cash generated from operating activities		6,612,802	3,714,790
Cash flows from investing activities			
Interest Received	5	64,935	15,237
Purchase of property, plant and equipment		(1,342,783)	(16,153,162)
Net cash (used in) investing activities		(1,277,848)	(16,137,925)
Net (decrease) in cash and cash equivalents		5,334,954	(12,423,135)
Cash and cash equivalents at start of year		7,729,344	13,064,298
Cash and cash equivalents at end of year	13	13,064,298	641,162



REPUBLIC OF ZAMBIA
OFFICE OF THE AUDITOR GENERAL
NOTES TO THE FINANCIAL STATEMENTS

1. Regulatory Framework and Principal Activities

The Zambia Flying Doctor Service was established by an Act of Parliament. The main functions of the Service are to combat disease among and to promote the health and material well-being of the inhabitants of the rural areas of Zambia and to provide aero-medical and other health services countrywide.

Significant Accounting Policies

1. Accounting Conversion

The Service adopted accrual basis IPSAS on 1st January 2023. The significant accounting policies adopted in the preparation of these financial statements:

a) Basis of preparation

The financial statements comply with International Public Sector Accounting Standards for the accrual basis of accounting. The measurement base applied is historical cost adjusted for revaluation of assets. The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

b) Functional and Presentation Currency

The financial statements are expressed in the Zambian Kwacha (ZMW).

c) Depreciation

Depreciation is calculated using the straight-line method to write down the cost of each asset to its residual value over the asset's useful life as shown below:

Asset Category	Rate (%)
Leasehold land and buildings	2
Motor vehicles	20
Furniture & fittings	20
Plant and machinery	7
Office equipment	20
Aircraft	2

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Items of property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be



REPUBLIC OF ZAMBIA

OFFICE OF THE AUDITOR GENERAL

recoverable. An impairment loss is recognised for the amount by which the asset's carrying exceeds the recoverable amount.

Amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

a) Capital grants-Donations

Gifts and donations are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Goods in-kind are recognised as assets when the goods are received, or there is a binding arrangement to receive the goods. If goods in-kind are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced, and revenue recognised as the conditions are satisfied.

The price recognised is the fair value of the asset at the date when the entity receives the good in kind.

b) Translation of Foreign Currencies

Transactions in foreign currencies during the year are converted into Zambian Kwacha using the exchange rate prevailing at the transaction date. Monetary assets and liabilities at the balance sheet date denominated in foreign currencies are translated into Zambian Kwacha using the exchange rate prevailing as at that date. The resulting gains and losses from the settlement of such transactions and translations are recognised on a net basis in the profit and loss account in the year in which they arise.

c) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in first-out method. Cost comprises the cost of purchase and all other costs attributed to bring the goods to that particular condition and location. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

d) Provision for Liabilities and Charges

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.



REPUBLIC OF ZAMBIA
OFFICE OF THE AUDITOR GENERAL

e) Retirement Benefit Obligations

The Service and the employees contribute to the National Pensions Authority (NAPSA) and Health Sector Grant Aided Institution Pension Scheme (HSeGAIPS), a second tier defined contribution scheme. Contributions are determined by local statute and the Service's contributions are charged to the income and expenditure account in the year to which they relate.

f) Employee Entitlements

Employee entitlements to long service awards, gratuity (at 35% of exit basic pay by period of contract), accrued rights and terminal benefits are recognised as liabilities based on the service rendered by the employees up to the statement of financial position date. The estimated monetary liability for employees accrued annual leave entitlement at the balance sheet date is recognised as an expense accrual.

g) Taxation

Tax expense in the profit and loss account is the current income tax.

i) Current Tax

Current tax is provided on the basis of results for the year adjusted in accordance with the fiscal laws of Zambia.

ii) Deferred Tax

Deferred tax is provided in full on all temporary differences except those arising at the initial recognition of an asset or liability, other than a business combination, that at the time of the transaction affects neither the accounting nor taxable profit nor loss. Deferred tax is provided using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes, using tax rates enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised.

h) Financial Instruments

The Service classifies its investments into the following categories:



REPUBLIC OF ZAMBIA
OFFICE OF THE AUDITOR GENERAL

- i) Held-to-maturity investments which are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has a positive intention to hold to maturity.
- ii) Loans and receivables which are non-derivative financial assets created by the company by providing money or products directly to the debtor other than those with the intent to be sold immediately or in the short run.
- iii) Available-for-sale financial assets which are assets held for an indefinite period of time, but may be sold in response to needs for liquidity or changes in interest rates.

All financial assets are classified as non-current except those with maturities of less than 12 months from the balance sheet date, those which the directors have the express intention of holding for less than 12 months from the balance sheet date or those that are required to be sold to raise operating capital, in which case they are classified as current assets.

All financial assets are recognised initially using the trade date accounting which is the date the company commits itself to the purchase or sale and recorded at the fair value of the consideration given plus the transaction costs. Subsequently, held-to-maturity investments and loans and receivables are carried at amortised cost using the effective interest method.

The directors classify financial assets as follows:

- Receivables are classified as 'loans and receivables' and are carried at amortised cost using the effective interest method.
- Term, current and call deposits with banking institutions are classified as 'held-to-maturity investments' and are carried at amortised cost using the effective interest method.

Financial liabilities

All financial liabilities including borrowings are recognised initially at fair value plus the transaction costs and subsequently carried at amortised cost using the effective interest method.

i) Receivables

Receivables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method.

A provision for impairment is recognised in the profit and loss account in the year when recovery of the amount due as per the original terms is considered doubtful. The provision is based on the difference between the carrying amount and the present value of the expected cash flows, discounted at the effective interest rate.



REPUBLIC OF ZAMBIA
OFFICE OF THE AUDITOR GENERAL

Receivables not collectable are written off against the related provisions. Subsequent recoveries of amounts previously written off are credited to the profit and loss account in the year of recovery.

j) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, term and call deposits with banking institutions and other short-term highly liquid investments in money market instruments with maturities of three months or less from the date of acquisition net of bank overdrafts. In the balance sheet, bank overdrafts are included as borrowings under current liabilities.

k) Operating Leases

Leases of assets where a significant proportion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the profit and loss account on a straight-line basis over the lease period. Prepaid operating lease rentals are recognised as assets and are subsequently amortised over the lease period.

l) Comparatives

The comparatives figures were audited by the Office of the Auditor General.

2. Financial Risk Management Objectives and Policies

The company's activities expose it to a variety of financial risks including credit liquidity and interest rates risks and changes in market prices of the company's products. The company's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The company does not hedge any risks and has in place policies to ensure that credit is extended to customers with an established credit history.

3. Critical Accounting Estimates and Judgements

The company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial period. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

i) Property, Plant and Equipment

Critical estimates are required in determining the depreciation rates for property, plant and equipment. The management determines these rates of depreciation based on their assessment of the useful lives of the various items of property, plant and equipment.



**REPUBLIC OF ZAMBIA
OFFICE OF THE AUDITOR GENERAL**

ii) Intangible Assets

Critical estimates are made by management in determining the amortisation rates for intangible assets. The management determines these rates of amortisation based on their assessment of the useful lives of the intangible assets.

iii) Income Taxes

Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

iv) Impairment Losses on Receivables

The Service regularly reviews its receivables to assess impairment. In determining whether an impairment loss should be recorded in the profit and loss account, the Service makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows of any receivables.



**REPUBLIC OF ZAMBIA
OFFICE OF THE AUDITOR GENERAL**

4 Operating income	2022 ZMW	2023 ZMW
Government Grants	30,707,988	30,707,984
Flight Charters	3,856,878	1,249,093
Medical Evacuation	1,807,173	7,480,352
Medical Fees	4,396,648	12,173,589
Land Ambulance Hire	34,640	60,471
	40,803,326	51,671,490
5 Other income	2022 ZMW	2023 ZMW
Bank interest	64,935	15,237
Rentals	208,290	-
Sundry income	135,637	283,847
*Donations	48,209,179	13,377,054
Total Income	89,421,367	65,347,628

*Donations

The donations are in relation to the medicines and medical supplies, and other equipment

Operating profit

(a) Items charged

The following items have been charged in arriving at the Surplus:

Depreciation on property, plant and equipment (Note 11)	18,916,433	14,765,761
Audit fees (Note 9)	81,200	86,003

Adminisdtation Expenses

This represents expenditure amounting to K50,531,012 for the year ended 2022 and K64,196, 202 for the year ended 2023.



REPUBLIC OF ZAMBIA
OFFICE OF THE AUDITOR GENERAL

6 Personal Emoluments

Personal emoluments costs are expenses associated with employee remuneration and benefits. Salary earnings, allowances, gratuities, pensions, taxes, and other related costs are included.

	2022	2023
Personnel Emoluments		
Basic Salary	8,658,944	15,435,224
Housing Allowance	1,654,107	3,737,392
Motor Vehicle Allowance	780,820	1,523,435
Transport Allowance	971,665	2,149,528
Acting Allowance	292,502	197,719
Responsibility Allowance	75,412	1,882
Overtime	59,970	20,334
Rural Hardship Allowance	44,983	1,015
Leave days Allowance	720,269	934,904
Leave Commutation	254,345	207,144
Settling in Allowance	1,213,332	1,182,999
HeSGAIPS - Coy Contribution	258,206	289,967
NAPSA - Coy Contribution	534,294	969,981
Salary arrears	592,879	290,421
Gratuity Provision	2,020,212	667,638
Repatriation Pay	5,000	14,010
NHIMA Employer Contribution	77,084	176,706
Locum Wages	1,022,331	58,426
Casual Wages	169,910	-
Education Allowance	90,000	120,000
Other PE Costs / Recoveries	71,011	246,708
Total	19,567,278	28,225,433



REPUBLIC OF ZAMBIA
OFFICE OF THE AUDITOR GENERAL

7 Medical expenses

Medical expenses are costs associated with the delivery of medical services, both mobile in rural and hard-to-reach areas and static in clinics. Subsistence allowances for the staff members on medical outreaches, medications, and other medical supplies required to offer services are included.

	2022	2023
	ZMW	ZMW
Medical supplies	172,276	628,793
Medicines supplies	642,787	2,775,480
Clothing / Beddings / Linen	43,779	
Local travel and lodging-Outreaches and evacuations	1,846,880	5,828,071
Medical expenses	34,223	21,348
Total medical expenses	2,739,946	9,253,692

8 Aviation expenses

Aviation expenses are costs relating to the running costs, and maintenance of aircraft, and motor vehicles for providing mobility in the delivery of medical services especially in the rural and hard-to-reach areas. These costs include fuel for both aircraft and motor transport, repairs and maintenance, and other aviation charges.

	2022	2023
	ZMW	ZMW
Aircraft fuel and lubricants	1,750,431	2,581,377
Motor vehicle fuel and lubricants	307,913	710,350
Repairs and maintenance-aircraft	760,568	940,186
Motor Vehicle Repair expenses	449,990	425,938
Repairs and maintenance-machinery and equipment	130,125	97,708
Aviation Charges	15,896	90,313
Departure/landing and navigation charges	40,939	28,685
Total aviation expenses	3,455,862	4,874,557