



# Health Insurance Fund

## Annual Accounts 2022

6 February 2024



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Amsterdam, the Netherlands



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# ANTENATAL

MIMCARE

## Safari salama ya Mama Mjamzito.



Safari salama ya mama mjamzito, kuendelea kuendelea pamoja na:

- 1. Amurumizi kuhusu majuzi
- 2. Amurumizi kuhusu kazi
- 3. Amurumizi kuhusu kazi

“Mama mjamzito, kazi yako ni kazi ya kazi, kazi yako ni kazi ya kazi, kazi yako ni kazi ya kazi.”

Chama cha Mwanamama  
Mama Mjamzito  
0677 141 176



# Management Board Report

## 1. Introduction

The Health Insurance Fund (HIF) as part of the PharmAccess Group (PGF)

seeks to make inclusive health markets work. In doing this, we design interventions to improve the way the entire health eco-system is financed, and quality care delivered.

Although less turbulent than the first year of the pandemic, 2022 remained a challenging year for the health sector, especially in sub-Saharan Africa. This underscores the need to apply concerted economic policies and interventions, build stronger health systems and innovations to reach those who are financially excluded.

Reflecting on our work in 2022, we see that digitalization has brought significant opportunities to make health insurance models work, especially in low-resource settings. This further strengthens our belief that taking a (digital) ecosystem approach remains relevant in the future with increasing opportunities to scale. In this context, advocacy and research and learning will have a significant role in sharing our vision and way of working with our key stakeholders and partners.

Our work is guided by 5 key strategic objectives. These are:

1. **Accelerate demand side financing** – supporting governments in their effort to design & implement effective and sustainable health insurance models, exploring different finance mechanisms.
2. **Strengthen the quality of health services** (supply side) – through creating transparency, setting the benchmark and creating a culture of quality
3. **Increase investments into healthcare sector** – bridging the existing finance gap, making it possible for health facilities to invest in the quality care
4. **Matching demand and supply** for more effective and efficient healthcare transactions, making efficient use of limited resources
5. **Advocacy, Research and learning** – feed into fact-based decision making of partners and others in the (global) health sector.

## Objective 1: Accelerating demand side financing

Our interventions around demand-side financing are designed to increase the use of healthcare services and give patients the purchasing power to access the healthcare system. We aim to optimize prepayment and insurance models with public and private partners.

### The importance of demand-side financing

Demand-side financing is critical to increasing the stability of a healthcare system driven by trust. Important means to do this are insurance and prepayments.

### Nigeria: broader enrollment encourages participation

In Lagos, more than 760,000 people have enrolled in the state health scheme, up from 300,000 in 2021. Extending the uptake of the scheme to civil servants in Lagos has improved the risk pool and the availability of funds to cover medical expenses for all income groups.

In Kwara, enrolment in the state health scheme increased, from over 8,000 to more than 41,000. Kwara's Basic Health Provision Fund and the additional financing from the State Government have been instrumental in onboarding about 80-90% of those enrolled.

#### **Tanzania and Zanzibar: making crucial health financing decisions**

In collaboration with WHO, UNICEF, and USAID and its Public Sector Systems Strengthening Plus (PS3) project, PharmAccess (as implementing partner of HIF) successfully supported the Zanzibar government to develop the first-ever Zanzibar Health Financing Strategy. The strategy will lead to health financing reforms in Zanzibar, towards the introduction of contributory financing, moving away from 'free' healthcare services.

The reforms include:

- Introduction of social health insurance and a health equity fund to finance low-income groups.
- Unique identification numbers (Matibabu ID).
- 85% of the Zanzibar population in all 11 districts already received a medical ID number.
- The collection of data through OpenIMS on how care is administered and utilized.

In Mainland Tanzania, a Universal Healthcare Bill proposes a mandatory enrolment for all people working in the formal and informal sector.

#### **Kenya: advocating for continued investment**

In 2022, 144,000 people from 42,500 low-income households enrolled in Kisumu health insurance scheme in Marwa – about half of the 90,000 low-income households identified. We co-paid for health insurance for these 42,500 households, with the agreement that Kisumu County would support the remaining households.

In partnership with Amref Flying Doctors we worked on i-PUSH – a Universal Health Coverage (UHC) initiative in Nairobi and Kakamega. Through i-PUSH, we connected 77,000 women of reproductive age and their families (230,000 people) to healthcare financing, quality and knowledge, and enabled facilities to improve the quality of care through SafeCare. State and non-state actors contributed to I-push.

#### **Ghana: standing strong, enrollment through the economic crisis**

The economic crisis in Ghana was challenging for demand-side financing in 2022. Despite this, the National Health Insurance Authority (NHIA) maintained the number of enrollees in the National Health Insurance Scheme. To sustain the scheme, we have been working with NHIA to analyze membership data and digitalize claims processing.

#### **Building toward UHC: our work in 2023 and beyond**

In 2022 we saw delays in financing and implementation due to economic crises and elections. Because of this, we are supporting a greater focus on efficient spending. Digitalization is key here, and we will continue to work with health authorities to build their digital capacity.

## **Objective 2: Strengthen the quality of healthcare services**

SafeCare (our quality program) helps to embed a culture of quality at all levels of the ecosystem, starting with a standard-based stepwise approach. By the end of 2022, SafeCare has worked with 7,000 facilities, 32 public and private partners in 21 countries.



### **A standards-based approach that fits**

The first step of the process is assessing and benchmarking. For this, SafeCare provides data insights that help facilities in making decisions supporting improvement in quality of care. It also enables healthcare stakeholders to prioritize and allocate funds to key improvements, and helps governments develop policies and regulatory frameworks for country-wide quality improvement. So far, 75% of all facilities involved have improved their quality using SafeCare.

### **Changing behavior to improve quality**

The Quality Platform is designed to motivate all staff members and it is already changing the way its 4,500 users approach quality. Facilities can carry out self-assessments through the platform, helping providers in remote rural and fragile areas improve quality. In 2022, we researched how to further stimulate the peer-to-peer learning that the Platform provides through communication between users. Our learnings will be tested and implemented in 2023.

### **Growing our impact**

SafeCare is increasing its focus on a specific set of criteria that are expected to have the most impact on health outcomes, and the data show that progress was significant in 2022. For example, having a pre-operative checklist in place increased positive health outcomes from 49% to 66%.

### **Scaling through institutionalization via sustainable global partnerships**

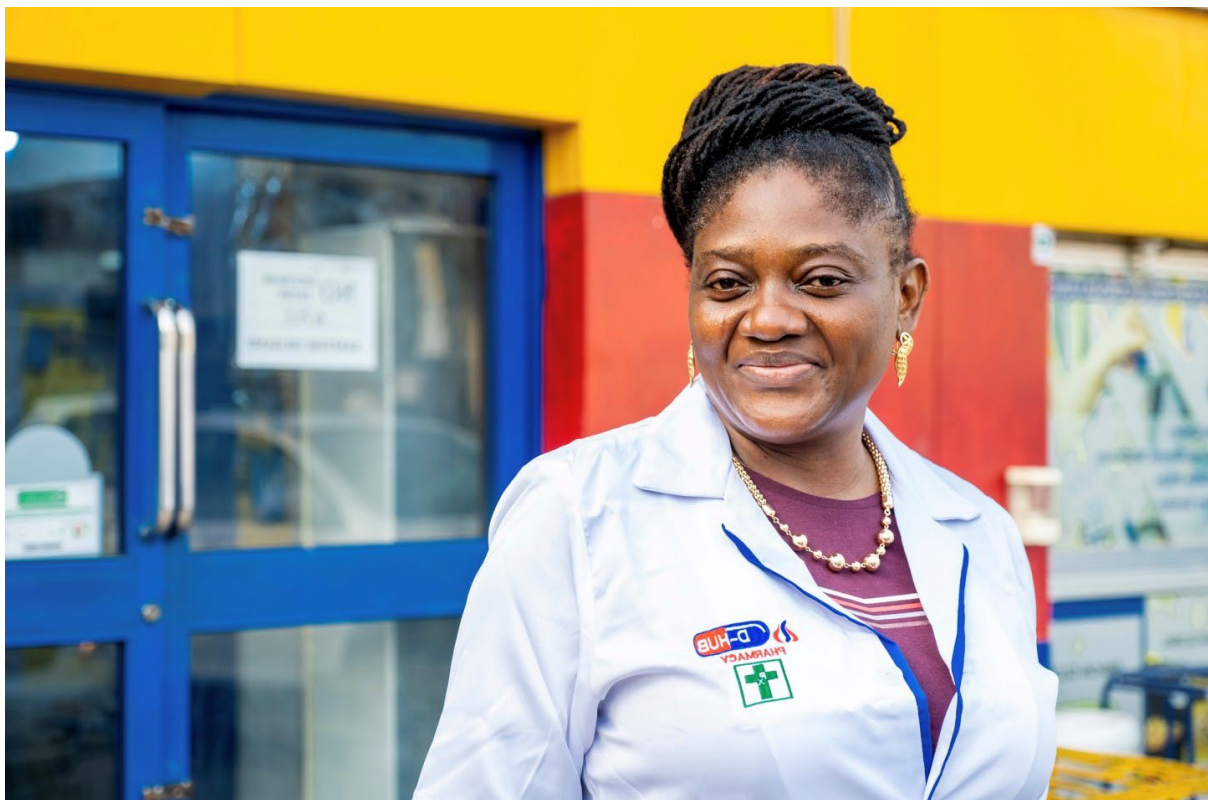
We are institutionalizing SafeCare with a sustainable partnership model. This involves working with multi-country partners that can extend the reach of SafeCare faster and more efficiently. We also extended the impact of SafeCare through partners, CRS and Aga Khan Health services, resulting in a SafeCare team in India. By the end of 2022, we had 32 partners reaching almost 15,000 providers using SafeCare quality stepwise approach cumulatively.

### **A roadmap towards sustainability**

In 2022, we saw a transition towards sustainability, with 10 paying public/private partnerships, and noted that health facilities were more willing to (co-)pay. In 2023, we will focus on strengthening the business model for our license partners based on (co-)payments of health facilities.

### **The business of quality: do health investments pay off?**

Our research shows that, under most conditions, better quality care seems to lead to more and better businesses. There are significant links between higher SafeCare scores and increased patient visits and staff numbers in facilities in Africa.



### **Objective 3: Increase investments into healthcare sector**

To invest in working capital, equipment, staff, and to enable improvements in quality of care, facilities need access to finance, Health Insurance Funds sister organization and part of the PharmAccess Group too 'Medical Credit Fund (MCF)' provides this. MCF has disbursed more than 8,000 loans worth over EUR-150 million to more than 2,000 clients. In 2022, MCF focussed on empowering female entrepreneurs with access to finance, particularly through digital loans.

#### **Supporting healthcare SME's**

Medical Credit Fund (MCF) is the only fund dedicated to financing healthcare SMEs in Africa. So far, MCF has disbursed more than 8,000 loans worth over EUR 150 million to more than 2,000 clients. MCF has a success rate of 96%.

#### **Empowering female health entrepreneurs with access to finance**

In 2022, 84 of the 318 clients MCF reached were women. MCF II, our blended finance model focused on direct lending through digital loans, was fully operational throughout 2022. These digital loans are beneficial for women because they do not require traditional collateral. MCF was awarded SILVER winner in the Responsible Digital Innovator Category at The Global SME Finance Awards.

#### **Tackling challenges to realize the potential of digital loans**

Despite macroeconomic challenges MCF remained active with the use of digital loans. Digital loans can be disbursed and paid back faster, allowing MCF to mitigate risks in uncertain environments. MCF will continue to make launching digital loans a priority in 2023. To realize the full potential of digital loans, governments need to ensure favorable policies and regulations.

### Enhancing the value of quality and technical training

Supported by HIF, MCF and PharmAccess work in partnership to offer technical assistance (TA) to healthcare SMEs to reduce risks and enhance business performance. In 2022, our goal was to include 80% of MCF II clients in a TA or training program; we exceeded this for clients with a term loan. 89% of them followed a TA or training program.



## Objective 4: Matching supply & demand

### Unlocking the value of data through innovative care models

Our goal is to optimize healthcare outcomes for patients in African communities, delivered through the most efficient digital solutions that respond to their needs.

### Putting empowered patients at the center of their care journey

The biggest hurdle to incorporating value-based care principles in our models is the implementation of new payment mechanisms that are 100% based on outcomes delivered. In 2022, we focused on exploring new variations and payment mechanisms of the models we had already demonstrated to be effective.

Our results with tens of thousands of patients demonstrate that following value-based principles is also a better way to organize long-term care, such as pregnancy and non-communicable diseases (NCDs). Patients trust health care providers and their health system better by knowing upfront what services they are entitled to.

### The care bundle approach: innovating with MomCare

MomCare has helped make pregnancy and birth safer for over 50,000 patients in sub-Saharan Africa. With only limited additional cost, MomCare leads to better value and increased utilization of care.

### **Implementing new variants of innovative care models and payment variants**

Our focus in 2022 has been on building on our work towards value-based care by raising awareness and supporting others to design and implement similar models. We have been testing various innovative care models that take a value-based care approach.

In Kisumu, Kenya we work with MomCare facilities based on bundled fees topped up by bonus payments. Bonus payments are linked to the number of antenatal visits and/or ultrasounds given at the right time in the pregnancy journey. With this, we encourage healthcare providers to give mothers the appropriate care throughout their pregnancy journey and give the health facilities the agency to deliver the quality of care they are aiming for. We partner with CarePay to ensure reliable and fast payments.

We also started exploring a 'ValuePoints system'. If clinics meet certain criteria, they earn value points that are equivalent to a certain cash sum. This is scalable and proven to be effective in improving quality.

Through our long-term collaboration with several clinics across the region, we were able to test additional innovations in the clinic setting. In Kisumu, we successfully trialed a group-based mental health engagement during the pregnancy journey. In Tanzania, we invested in clinics using 'Light Wallets'- Patients receive a digital wallet with additional resources on top of what they receive from the government, which they can exchange for care at clinics. As a result of this testing, Hanang district in Tanzania asked us to roll out MomCare, which now covers the entire district. The government is interested in integrating MomCare into the national health policy.

### **Addressing the biggest disease burden: NCD care bundles**

In Ghana and Kenya, we are working on innovative care models for hypertension and diabetes, showing how they can increase efficiency, improve quality, and expand care for the same cost to the providers. Our NCD care models put the patient in control of their healthcare journey. Moreover, the digital approach of these models can lower the threshold for seeking care.

- In Ghana, we are testing a remote patient management model in partnership with the Luscii platform. PharmAccess funds the license fee to demonstrate to clinics that it can be a sustainable business model. Patients can send details like blood pressure and glucose levels via the app less costly and easier. Almost 70% of patients are now using the platform.
- In Kenya, we have focused on group treatment to increase efficiency and unlock buying power. In monthly patient support groups held in clinics, providers offer patients education on their condition, measurement devices and checkups at a lower cost. By purchasing medication in bulk, they also pass cost saving onto patients.

### **Data as a public good**

In 2023, we continue to create stronger business models that show the power of small investments in patient-centered healthcare journeys, supported with data. Our models put the patient in control, raising questions around privacy and access, and the broader topic of who owns data. To ensure systems are interoperable and form a solid foundation we promote standardization using FAIR data principles.



## Objective 5: Advocacy, Research and learning

### Providing a strong evidence base

In 2022, we published 11 research papers, cooperated with national and local research institutes, and received six global awards.

Our work centers around four advocacy points:

#### 1. Increasing local financing for health

We encourage the public sector to increase its funding for healthcare and develop a sustainable approach to financing care, for example through health insurance schemes or taxation.

In 2022, we saw some success with our lobbying for innovative approaches to taxation:

- In Nigeria, we organized a session with the World Bank on the sugar in beverage tax, which could be an additional source of income for healthcare.
- In Zanzibar, we proposed a tourist levy to finance healthcare insurance.
- In Ghana, our evidence fed into a policy to use part of the tax from goods and services (2.5%) to finance care for vulnerable populations.
- At the Tanzania Health Summit, which PharmAccess helped to organize, our advocacy on maternal health led to discussions with the Ministry of Health about shifting funding towards maternal care.

#### 2. Driving public-private engagements in the healthcare sector

HIF, through PharmAccess, strongly advocates for enhancing the capacity of the private sector. In the Access to Finance program, the Nigerian government partnered with the private sector to take over malfunctioning and abandoned healthcare facilities and expand quality service delivery to rural communities to serve the Delta State health insurance scheme. The study we conducted in 2022 showed that this could be a scalable model to improve access to care.

#### 3. Using digitalization to drive transformation in healthcare systems

We facilitate countries in driving and adopting digital innovation and equally sharing and scaling examples of impactful digitalization. There is an increased focus on creating value from personal health data, ensuring that it is used for the public good rather than benefiting large private technology companies. Digitalization is also instrumental in addressing the fragmentation in funding, by placing the patient at the center of their care and providing opportunities to finance care that meets all their health needs.

Achievements in 2022:

- Together with the Norwegian government we advocated for NCD models in Ghana, which finance and deliver care through digitalized care models that bring down the costs of treatment of chronic diseases.
- We worked with donors to encourage moving away from disease-specific funding to funding to strengthen health systems overall.
- We held discussions with the Global Fund on defragmenting funding and plan to continue working together.
- Ghana's country director joined the Health Data Collaborative, aiming to align technical, advocacy, and financial resources with government priorities for data and digital development.

In 2022, H.M. Queen Máxima of the Netherlands Tanzania came to witness first-hand the impact of MomCare on both staff and mothers at Charlotte Hospital in Kilimanjaro.

#### 4. Institutionalizing quality healthcare

We have increased our focus on leading quality improvement through license partners and capacity building of public institutes. We advocate for institutionalizing quality healthcare, encourage governments to embrace constant quality improvement, and offer the SafeCare methodology as a methodology to make their own.

In Nigeria, the Lagos State health Management Agency (LASHMA) signed an agreement with PharmAccess to adopt SafeCare standards for quality improvement in public as well as private health facilities under the Lagos State Health Scheme.

## 2. Financial

In 2022, total realized income and program expenses were EUR 12,008,500 (2021: EUR 8,921,611).

The financial statements reflect all the activities of the Health Insurance Fund. The actual implementation of the programs is done by PharmAccess for which it has offices in Tanzania, Kenya, Nigeria and Ghana. The financial statements have been prepared in accordance with the Guideline for annual reporting 640 “Not-for-profit organizations” of the Dutch Accounting Standards Board. Contrary to the Guideline for annual reporting 640 the budget on overall level has not been included. Control is performed on project level. Financial risks are limited since Health Insurance Fund holds cash on dedicated bank accounts. Health Insurance Fund does not work with ‘embedded derivatives’ and ‘hedge accounting’ and all larger programs are prefunded.

The foundation has been incorporated for the sole purpose of running the activities along the lines of the objectives as mentioned in the management board report. The foundation has no objective to gain reserves.

Given the nature of the organization risk assessment is addressed on regular basis. The monitoring and managing of risks take place on the level of the Foundation and its implementing partners. Risks have been categorized and prioritized on possibility and impact. The most significant risks which have been identified are:

- Financial risks - continuity of funding; (successfully) mitigated by business development and submitting proposals for new funding.
- Personnel risks - health and safety of staff; mitigated by establishing a travel policy and customization around the Corona pandemic.
- Ethical risks - fraud; mitigated by establishing a code of conduct and by sound financial management (segregation of duties, dual level authorization).
- Performance risks - management capacity of the implementing partners and their local project partners; mitigated by capacity building activities.
- Legal / Privacy - mitigated by implementing a data policy and involving specialist monitoring.
- IT related risks – security breaches and loss of data; mitigated by assigning responsibilities and implementing procedures.
- Reputational risks - mitigated by attention to external communication and advocacy.

## SOLVENCY SUPPORT

Due to increased solvency requirements in 2012 one of the partners in Kenya, AAR Insurance Holdings Limited (AAR) was challenged by these new regulations for Health Maintenance Organizations (HMO's) which needed to register as licensed insurers and were demanded to hold increased solvency capital. In accordance with the Dutch Ministry of Foreign Affairs the Health Insurance Fund provided a 5-year solvency loan of EUR 8 million to AAR to accommodate this transition and to be able to continue its activities as partner to the HIF. The loan period is extended until 31 December 2023 Repayment capacity of AAR is largely depending on a planned future sale of shares (see note 2 and 8 to the financial statements).

These - sometimes sudden - changes of regulation influencing our private sector partners may also occur in other countries where the HIF is building capacity for health insurance programs eligible for low income and currently insured groups. Monitoring of regulatory developments and potential solutions for local partners will continue to be a priority.

## INVESTMENT

In April 2019, in accordance with the grant decision of the Minister for Foreign Trade and Development Cooperation for *'CarePay, a basic mobile health contract for everyone'*, the Health Insurance Fund purchased shares for a total amount of EUR 19.6 million (2021: 19.6%) in CarePay International B.V. and again on behalf of the Ministry of Foreign Affairs, in 2022 we provided a convertible loan to CarePay International B.V for an amount of EUR 4,900,000. The maturity date shall be on the earlier in occurrence of a qualified equity financing before 30 April 2024. This date can be extended until 31 October 2024. The interest rate is 8%.

## TRANSPARANCY AND ACCOUNTABILITY

The programs are designed to ensure transparency and accountability to all stakeholders. The PharmAccess Group Foundation Supervisory Board, governing the Health Insurance Fund holds quarterly meetings to discuss the status and progress of the program. In addition, the Supervisory Board keeps yearly formal and informal track of the program standing and development which includes bi-yearly visits to local operations. Financial program audits covering all main stakeholders including the local implementing partners are carried out by an external auditor every year.

## 3. Outlook 2023 and beyond

The COVID-19 crisis in 2021 and 2022 has been a wake-up call, a reminder that resilient healthcare systems are essential for economic and social prosperity, and international security. It has demonstrated that health is a global responsibility that requires cross-sector collaborations for universal health coverage. It has also driven wide-spread acknowledgement that digital technology and data form a core pillar of healthcare. In the wake of COVID-19, attention has risen for African countries to build stronger, more resilient data-driven healthcare systems which are better prepared for the next pandemic and can deliver basic quality healthcare for all citizens. The increasing penetration of mobile technology and digital platforms in Africa will be key for fast-tracking health system transformation, allowing all individuals to be digitally connected, covered and empowered to access care. Technology provides real-time data, thus

ensuring transparency in the delivery, utilization, and costs of care to guide decision making for patients, healthcare providers and governments.

This has proved vital during the crisis when it has been critical to both address the outbreak and to commit resources to other healthcare needs. With continued support of the Ministry of Foreign Affairs (Netherlands) and an increasing number of other funders, HIF will continue to capitalize on digital technology to improve the financing and delivery of health care. For example, we will further develop smart contracting and value-based care interventions for mother and child healthcare, expanding services to support vulnerable socioeconomic groups. We will also continue working on the development of digital services for chronic care.

Given the limited and fragmented nature of healthcare funding in the countries that we support, and with donor funding on a downward trend, mobile technology also brings the opportunity to combine scarce funding sources while reducing transaction costs. By increasing efficiency and transparency, it can ensure that more marginalized individuals are covered while paving the way to implement new pay for performance models which generate data to guide governments in resource allocation. In the years ahead, we will support the integration of vertical programs into a more horizontal and integrated healthcare approach.

Further investments in healthcare quality remain crucial. We will continue to support the scaling of SafeCare and MCF, which proved critical throughout the pandemic. MCF's digital loans have offered much support for health SMEs during the crisis with SafeCare helping to ensure infection prevention and control, while prioritizing staff and patient safety in clinics. Going forward, we will continue to use digital technology and data to improve the quality standards of healthcare facilities as well as share our expertise and lessons learnt with new countries.

With the ongoing support of the Dutch Ministry of Foreign Affairs we continue to focus on strengthening public and private partnerships to create an enabling environment for scaling. We will advocate for increased government spending on health, including contributions toward social health insurance schemes, which is needed to sustainably finance Universal Health Coverage (UHC). The use of (digital) poverty mapping to segment the populations and target subsidies efficiently will be critical. While supporting the implementation of digital tools, we will also provide technical support to ensure that African countries can create more value out of the data that they generate. We will also further strengthen local capacity in areas of policy and legislation, governance and leadership, and research.

In the years to come, with the increasing interest in our work, the Health Insurance Fund, PharmAccess, and the Joep Lange Institute will continue to work with key partners and coalitions on global health diplomacy and the digitalization of health financing and delivery. The impact of technology has been demonstrated on the African continent, but the global health community and funders are yet to embrace its value. Through our joint advocacy efforts, we will promote thought leadership, share lessons learned, publish research results, initiate policy dialogue, and build partnerships to accelerate the role of digital technology in UHC.



## 4. Institutional development

The statutory responsibility for Health Insurance Fund and all PharmAccess group entities (i.e. Stichting PharmAccess International, Health Insurance Fund, Stichting Medical Credit Fund, Medical Credit Fund II Coöperatief U.A., Stichting SafeCare and Stichting HealthConnect) is vested with PharmAccess Group Foundation (PGF) represented by its executive board (statutair bestuur) and under the supervision of one Supervisory Board, the PGF Supervisory Board.

As per January 1<sup>st</sup>, 2022 Els Boerhof strengthened the Supervisory Board. On September 21<sup>st</sup>, 2022 Pauline Meurs stepped down as Chair (a.i.) succeeded as Chair by Prof. Khama Rogo. The other Supervisory Board members (Willem van Duin, Ben Christiaanse, Peter van Rooijen, Lidwin van Velden, Christiaan Rebergen and Mirjam van Reisen) stayed in their position.

Nicole Spieker (CEO), together with Jan Willem Marees (CFO), still form the Executive Board of PGF.

## Signing of the Management Board's report

Amsterdam, 6 February 2024

J. W. Marees  
Director

**Stichting PharmAccess Group Foundation**  
Represented by:

N. Spieker

J.W. Marees



# Financial statements

- Balance sheet
- Statement of income and expenditure
- Cash flow statement
- Notes to the financial statements



## Balance sheet as at 31 December 2022

(After appropriation of result)

	Note	31.12.2022	31.12.2021		Note	31.12.2022	31.12.2021
		EUR	EUR			EUR	EUR
<b>Assets</b>				<b>Equity and liabilities</b>			
Financial fixed assets:				<b>Equity</b>			
Loans	1	14,910,587	9,576,342	Continuity reserve	7	3,753	3,753
Participating interests	2	27,100,000	27,100,000				
				<b>Long-term liabilities</b>			
<b>Current assets</b>				Deferred income concerning solvency support	8	9,502,689	9,339,891
Other receivables	3	233,239	213,636				
Advance payments	4	309,009	5,300,003	<b>Current liabilities</b>			
Debtors	5	-	118,490	Creditors	9	391,176	191,548
				Deferred income	10	47,878,239	44,306,879
Cash	6	15,533,215	11,843,114	Other liabilities and accrued expenses	11	310,193	309,514
		<b>58,086,050</b>	<b>54,151,585</b>			<b>58,086,050</b>	<b>54,151,585</b>

## Statement of income and expenditure for the year 2022

	Note	2022		2021	
		EUR		EUR	
Income	12	12,008,500		8,921,611	
Operating expenses:					
Direct project costs	13	11,915,125		8,861,462	
Personnel expenses	14	25,941		24,813	
Other operating expenses	15	67,434	12,008,500	35,336	8,921,611
Result		<u>0</u>		<u>0</u>	
Appropriation of the result:					
Continuity reserve		<u>0</u>		<u>0</u>	
		0		0	

## Cash flow statement for the year 2022

(Based on the indirect method)

	2022		2021	
	EUR		EUR	
<b>Operating result</b>	<b>0</b>		<b>0</b>	
Adjustments for:				
Changes in working capital:				
- movements operating accounts related to receivables and projects	5,089,881		(9,299,666)	
- movement on interest to be received	(432,245)			
- movement deferred income concerning solvency support	162,798		(28,165)	
- movement deferred income	3,571,360		11,112,067	
- movements other current liabilities	200,307	8,590,101	(4,929,131)	(3,144,895)
Cash flow from business activities		8,590,101		(3,144,895)
Interest received/paid		0		0
Cash flow from operating activities		8,590,101		(3,144,895)
Investments in other financial fixed assets	(4,900,000)	(4,900,000)	(7,500,000)	(7,500,000)
Cash flow from investing activities		(4,900,000)		(7,500,000)
Net cash flow		<u>3,690,101</u>		<u>(10,644,895)</u>
Cash as per 1 January		11,843,114		22,488,009
Cash as per 31 December		<u>15,533,215</u>		<u>11,843,114</u>
Movements in cash		<u>3,690,101</u>		<u>(10,644,895)</u>

# Notes to the financial statements

## GENERAL

### Foundation

Stichting Health Insurance Fund is a not-for-profit organization based in Amsterdam, the Netherlands. The foundation was founded on 6 October 2005. Health Insurance Fund is registered with the Trade Register at the Chamber of Commerce under number 34234456.

The financial statements have been prepared in euros.

## ACCOUNTING POLICIES

### General

The financial statements have been prepared in accordance with the Guideline for annual reporting 640 “Not-for-profit organizations” of the Dutch Accounting Standards Board (‘Raad voor de Jaarverslaggeving’).

The financial statements have been prepared using the historical cost convention and are based on going concern. Income and expenses are accounted for on accrual basis. Profit is only included when realized on balance sheet date. Liabilities and any losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

If not indicated otherwise, the amounts of the accounts are stated at face value.

For better understanding, the classification of some items presented have been adjusted. As a result, the comparative figures have been adjusted accordingly.

The financial data of the legal entity and its subsidiaries (being: ‘Medical Credit Fund II Coöperatief U.A.’) are included in the consolidated financial statements of PharmAccess Group Foundation based in Amsterdam, the Netherlands. These consolidated financial statements are available on request.

### Balance sheet

#### Financial fixed assets

The financial fixed assets are valued at purchase value and taking impairment into consideration. The financial fixed assets consist of the AAR solvency support loan, the investment in CarePay International B.V. and Medical Credit Fund II Coöperatief U.A..

#### Receivables

Upon initial recognition the receivables are valued at fair value and then valued at amortized cost. The fair value and amortized cost equal the face value. Provisions deemed necessary for possible bad debt losses are deducted. These provisions are determined by individual assessment of the receivables.



## **Cash**

The cash is valued at face value. If cash equivalents are not freely disposable, then this has been taken into account upon valuation.

## **Current liabilities**

### **Deferred income**

Deferred income consists of subsidy prepayments related to projects to be carried out less the realized costs of these projects, taking into account foreseeable losses on projects.

### **Other current liabilities**

Upon initial recognition, liabilities recorded are stated at fair value and then valued at amortized cost.

## **Principles for the determination of the result**

### **Statement of income and expenditure**

Income and expenditure are recognized as they are earned or incurred and are recorded in the financial statements of the period to which they relate. Overhead expenses are excluded from program expenses and recorded in the operating expenses.

### **Income**

Income from 'Realized income related to projects' is recognized in proportion to the completed project activities rendered on active projects, based on the cost incurred up to balance sheet date. The costs of these project activities are allocated to the same period.

Other income relates to other non-project related items.

### **Direct project costs**

Direct project costs consist of expenses directly related to projects (out-of-pocket costs) excluding staff costs.

### **Recognition of transactions in foreign currency**

Transactions in foreign currencies are recorded at the exchange rate prevailing at the transaction date. At year-end, the assets and liabilities reading in foreign currencies are translated into euros at the rates of exchange as per that date.

### **Financial instruments**

Financial instruments include both primary financial instruments, such as receivables and liabilities, and financial derivatives. Reference is made to the treatment per balance sheet item for the principles of primary financial instruments. The foundation does not use derivatives and there are also no embedded derivatives.

The foundation does not apply hedge accounting.

### **Principles for preparation of the cash flow statement**

The cash flow statement is prepared according to the indirect method. The funds in the cash flow statement consist of cash and cash equivalents. Cash equivalents can be considered to be highly liquid deposits.

Cash flows in foreign currencies are translated at an estimated average rate. Exchange rate differences concerning finances are shown separately in the cash flow statement.

## Notes to the specific items of the balance sheet

### 1. LOANS

	2022	2021
	EUR	EUR
Balance as at 1 January	9,576,342	9,388,571
CarePay International B.V. - Convertible loan	4,900,000	-
Interest to be received	434,245	187,771
<b>Balance as at 31 December</b>	<b>14,910,587</b>	<b>9,576,342</b>

	2022	2021
	EUR	EUR
Total disbursed to AAR Insurance Holdings Limited	8,000,000	8,000,000
Total disbursed to CarePay International B.V.	4,900,000	-
Total disbursed	12,900,000	8,000,000
 Total accumulated interest to be received from AAR	 1,767,869	 1,576,342
Total accumulated interest to be received from CPI	242,718	-
Total accumulated interest to be received	2,010,587	1,576,342
 <b>Balance as at 31 December</b>	 <b>14,910,587</b>	 <b>9,576,342</b>

#### AAR Insurance Holdings Limited - Solvency support loan

The Health Insurance Fund issued in 2012 a 5-year solvency support loan of EUR 8 million to AAR Insurance Holdings Limited. The full amount has been disbursed. The interest rate on this solvency loan is 2% per annum on the disbursed amount and is added to the deferred income concerning solvency support. The final repayment date has been, with approval from the Ministry of Foreign Affairs, extended to 31 December 2024. The repayment capacity of AAR is largely depending on a sale of shares planned to take place. The default risk (of not repaying the loan by AAR) is covered by the pre-received subsidy of the Dutch Ministry of Foreign Affairs, included under the deferred income concerning solvency support on the balance sheet. Therefore, the loan is not subject to an impairment.

AAR is in the middle of a reorganization which will lead to considerable cost cutting. As any business has its risks, the insurance business in Africa has these risks too. On the cost reduction side, the risks of not reaching the target are mitigated since the reorganization (lay off 25% of staff) was already implemented in 2023. On the side of implementation, power risks of not being able to deliver with a smaller organization are mitigated by using newly introduced software solutions. On the income side the risk of not reaching the target do exist. All in all, it is expected that AAR will reach the required solvency accuracy ratio during 2024. From that moment on interest will be paid and the repayment schedule will be negotiated.

### CarePay International B.V.

In accordance with the grant decision of the Ministry of Foreign Affairs, the Health Insurance Fund, provided a convertible loan to CarePay International B.V for an amount of EUR 4,900,000. The maturity date shall be on the earlier in occurrence of a qualified equity financing before 30 April 2024. This date can be extended until 31 October 2024. The interest rate is 8%.

The convertible loan to CarePay International B.V. is covered by the pre-received subsidy of the Dutch Ministry of Foreign Affairs, included under the deferred income on the balance sheet. Therefore, the loan is not subject to an impairment.

## 2. PARTICIPATING INTERESTS

	2022	2021
	EUR	EUR
CarePay International B.V.	19,600,000	19,600,000
Medical Credit Fund II Coöperatief U.A.	7,500,000	7,500,000
<b>Balance as at 31 December</b>	<b>27,100,000</b>	<b>27,100,000</b>

With preference of the Ministry the AAR Solvency Loan and investments in- and convertible loans with CarePay International B.V. are valued at purchase value. Uncertainties around repayment of the loans and/or devaluation of the participations are covered by the respective grants (beschikkingen) of the Ministry. In the event impairment of the loan occurs and/or participations must be written down, these costs can be expensed against these grants.

### CarePay International B.V.

In accordance with the grant decision of the Minister for Foreign Trade and Development Cooperation for 'CarePay, a basic mobile health contract for everyone', the Health Insurance Fund invested a total amount of EUR 19.6 million in CarePay International B.V. The Health Insurance Fund has a total of 196,000 shares.

CPI has recently closed new convertible loans (EUR 10 million) with the aim that this will help them to reach break-even. Meanwhile CPI is reorganizing to decrease their cost structure and has contracted another insurer which will lead to an increase in revenue. As any business has its risks, the business of providing service to the health insurance industry in Africa has these risks too. On the cost reduction side, although a reorganization plan is in place, the risk of not reaching the target does exist. On the side of implementation power risks of not being able to deliver with all smaller organizations are mitigated since the cost cutting has taken place in the internal service organization and in the consultancy costs. On the income side the risk of not reaching the target because the expected growth by contracting new customers and/or the expected growth within the portfolio of existing customers lags behind, does exist. The fact that serious players in the market (RGA, AAR, Jubilee) are working with CPI is reason to belief in CPI's chances to grow and so to become profitable and become more valuable.

With preference of the Ministry, the investment is valued at the purchase value.

At the time the Health Insurance Fund's 2022 financial statements were prepared, CarePay International B.V.'s consolidated financial statements for the year 2022 were not yet available.

Because the CarePay International B.V. financial statements for 2021 were finalized on August 5<sup>th</sup>, 2022, the net asset value will be disclosed based on the final figures as per year-end 2021 as no capital changes have occurred. Based on the participating interest percentage of Health Insurance Fund in CarePay International B.V. the net asset value (NAV) amounts to EUR 2,895,363 (33.85%) per year end 2021.

More recent, a draft of the annual accounts for CarePay International B.V. became available for the financial year 2022 (dated August 11<sup>th</sup>, 2023). Based on the participating interest percentage of Health Insurance Fund in CarePay International B.V. the net asset value (NAV) amounts to EUR 328,627 (33.85%) per year end 2022 (2021: EUR 2,895,363 (33.85%)).

#### *Medical Credit Fund II Coöperatief U.A.*

Medical Credit Fund II Coöperatief U.A. (MCF2) was incorporated as a Cooperative in the Netherlands in May 2021. Based on the member's agreement the Health Insurance Fund received a 99% participating interest in MCF2 (Medical Credit Fund II Coöperatief U.A.).

The Health Insurance Fund holds significant influence via associated entities (Stichting PharmAccess Group Foundation (PGF) and Stichting Medical Credit Fund (MCF)) and its investment(s). The participation in MCF2 is accounted for as an Investment in an Associate entity and has been recognized at cost on initial recognition.

With reference to the financial statements of Medical Credit Fund II Coöperatief U.A., which are prepared in accordance with IFRS as adopted by the European Union, for the financial year 2022 (dated 14 June, 2023) and based on the capital contribution of Health Insurance Fund in Medical Credit Fund II Coöperatief U.A. the net asset value (NAV) amounts to EUR 7,195,053 (99,01%) per year end 2022 (2021: EUR 7,633,695 (99,01%)). The net asset value has been calculated on the IFRS Annual Accounts of MCF II.

### 3. OTHER RECEIVABLES

	2022	2021
	EUR	EUR
Other receivables	233,231	213,636
Interest	8	-
<b>Balance as at 31 December</b>	<b>233,239</b>	<b>213,636</b>

The other receivables relate to rent and service costs to be charged out.

### 4. ADVANCE PAYMENTS / LIABILITIES RELATED TO PROJECTS

	2022	2021
	EUR	EUR
Deferred income to PharmAccess Foundation regarding MoFA	309,009	5,300,003

<i>Prepaid in total to PharmAccess on projects</i>	<i>309,009</i>	<i>5,300,003</i>
Interest revenue PharmAccess Foundation regarding MoFA	-	-
<b>Balance as at 31 December</b>	<b>309,009</b>	<b>5,300,003</b>

## 5. DEBTORS

	31.12.2022	31.12.2021
	EUR	EUR
Related foundation: PharmAccess Foundation (PAI) - accounts receivable	-	118,490
<b>Balance as at 31 December</b>	<b>-</b>	<b>118,490</b>

## 6. CASH

	31.12.2022	31.12.2021
	EUR	EUR
ABN-AMRO MeesPierson - General - charity savings account	15,300,000	6,870,366
ABN-AMRO MeesPierson - General - MoFA	-	4,900,000
ABN-AMRO MeesPierson - Global Health Membership	37,149	38,681
ABN-AMRO MeesPierson – General	196,066	34,068
<b>Balance as at 31 December</b>	<b>15,533,215</b>	<b>11,843,114</b>

The year-end balance of 2022 includes advance payments, which have been received from the Ministry of Foreign Affairs for the year 2023 and beyond.

Funds are available in line with the different program objectives.

## 7. CONTINUITY RESERVE

	2022	2021
	EUR	EUR
Balance as at 1 January	3,751	3,753
Result	-	-
<b>Balance as at 31 December</b>	<b>3,753</b>	<b>3,753</b>

In accordance with the subsidy agreements, the operating expenses are funded by the different donors. The continuity reserve is available to use in line with the described objectives of the foundation as stated in article 2 of the Articles of Association.

### Result appropriation for the year

No provisions of the Articles of Association deal with result appropriation. The result for the financial year 2022 amounts to nil and therefore no movement has been processed in the continuity reserve.

## 8. DEFERRED INCOME CONCERNING SOLVENCY SUPPORT

	2022	2021	Realized in 2022
	EUR	EUR	EUR
Cumulative payments from Dutch			
Ministry of Foreign Affairs	8,000,000	8,000,000	-
<i>Deferred income before interest</i>	<i>8,000,000</i>	<i>8,000,000</i>	
Cumulative interest to be received:			
- AAR	1,502,689	1,339,891	162,798
<i>Total interest to be received</i>	<i>1,502,689</i>	<i>1,339,891</i>	<i>162,798</i>
<b>Deferred income after interest</b>	<b>9,502,689</b>	<b>9,339,891</b>	

This long-term deferred income position with the Dutch Ministry of Foreign Affairs relates to a loan for solvency support which has been made available to AAR Insurance Holding Limited (AAR) in 2012. The solvency support agreement between Health Insurance Fund and AAR has been extended to 31 December 2027. The deferred income represents the received subsidy from the Dutch Ministry of Foreign Affairs. In the event of a default of AAR on the loan agreement the deferred income is recognized as income to cover for the impairment costs. The Health Insurance Fund has the obligation to report to the Ministry on the status of repayment by AAR.

The interest added to the deferred income position is calculated on the disbursed amount.

## 9. CREDITORS

	2022	2021
	EUR	EUR
Accounts payables	391,176	191,548
<b>Balance as at 31 December</b>	<b>391,176</b>	<b>191,548</b>

## 10. DEFERRED INCOME

	2022	2021
	EUR	EUR
Dutch Ministry of Foreign Affairs: 2023 - 2029 'making inclusive health markets work, activity number 4000005681'	15,300,000	-
Dutch Ministry of Foreign Affairs: 2016 - 2022 'making inclusive health markets work, activity number 28079'	335,521	12,306,879
Dutch Ministry of Foreign Affairs: 2018 - 2027 P06 'CarePay; A basic mobile health contract for everyone, activity number 4000001129'	24,742,718	24,500,000
Dutch Ministry of Foreign Affairs: 2022 - 2030 'Medical Credit Fund; financing the future (MCF2), activity number 4000004301'	7,500,000	7,500,000
Global Health Membership	-	-
HealthConnect	-	-
<b>Balance as at 31 December</b>	<b>47,878,239</b>	<b>44,306,879</b>

*Deferred income Dutch Ministry of Foreign Affairs: 2023 – 2029  
'making inclusive health markets work, activity number 4000005681'*

	2022	2021	Realized in 2022
	EUR	EUR	EUR
Cumulative payments from Dutch Ministry of Foreign Affairs	15,300,000	-	15,300,000
<b>Cumulative realized expenses:</b>			
- Reported expenditures for the year	-	-	-
<i>Total realized expenses</i>	-	-	-
<i>Deferred income before interest</i>	<i>15,300,000</i>	-	
<b>Cumulative interest received:</b>			
- Reported interest for the year	-	-	
<i>Total interest received</i>	-	-	
<b>Deferred income after interest</b>	<b>15,300,000</b>	-	



*Deferred income Dutch Ministry of Foreign Affairs: 2016 – 2022*  
*'making inclusive health markets work, activity number 28079'*

	2022	2021	Realized in 2022
	EUR	EUR	EUR
Cumulative payments from Dutch Ministry of Foreign Affairs	76,000,000	76,000,000	-
<b>Cumulative realized expenses:</b>			
- Organisational	14,022,462	11,410,778	2,611,684
- Demand Side Financing	14,296,613	12,529,157	1,767,456
- Supply	14,228,612	11,950,276	2,278,336
- Investments: Financing & Access to Credit	13,037,931	10,782,831	2,255,100
- Matching	6,106,629	5,054,438	1,052,191
- Advocacy	6,354,222	5,627,972	726,250
- Resource Mobilisation	3,388,214	2,496,802	891,412
- Research & Learning	3,802,871	3,413,943	388,928
- New Initiatives	426,924	426,924	-
<i>Total realized expenses</i>	<i>75,664,479</i>	<i>63,693,121</i>	<i>11,971,357</i>
<i>Deferred income before interest</i>	<i>335,521</i>	<i>12,306,879</i>	
<b>Cumulative interest received:</b>			
- interest income Health Insurance Fund	-	-	-
- interest income PharmAccess Foundation	-	-	-
<i>Total interest received</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Deferred income after interest</b>	<b>335,521</b>	<b>12,306,879</b>	

For better understanding, the classification of some items presented have been adjusted. As a result, the comparative figures have been adjusted accordingly.

*Deferred income Dutch Ministry of Foreign Affairs: 2018 – 2027 P06*

*'CarePay; A basic mobile health contract for everyone, activity number 4000001129'*

	2022	2021	Realized in 2022
	EUR	EUR	EUR
Cumulative payments from Dutch Ministry of Foreign Affairs	24,500,000	24,500,000	
<b>Cumulative realized expenses:</b>			
- Reported expenditures for the year	-	-	-
<i>Total realized expenses</i>	-	-	-
<i>Deferred income before interest</i>	24,500,000	24,500,000	
<b>Cumulative interest received:</b>			
- Reported interest for the year	242,718	-	
<i>Total interest received</i>	242,718	-	
<b>Deferred income after interest</b>	<b>24,742,718</b>	<b>24,500,000</b>	

In accordance with the grant decision of the Minister for Foreign Trade and Development Cooperation for *'CarePay, a basic mobile health contract for everyone'*, the Health Insurance Fund invested a total amount of EUR 19.6 million in CarePay International B.V. In 2021 there was an amendment to the grant agreement which increased the total amount with EUR 4.9 million to EUR 24.5 million and extended the grant until June 30<sup>th</sup>, 2024. As per year end 2022 the total amount was received.

The Ministry of Foreign Affairs decided on December 20<sup>th</sup>, 2023 to issue an amendment on the grant decision for the grant application *'CarePay, a basic mobile health contract for everyone'* and increase the maximum eligible amount with EUR 4,900,000 to EUR 29,400,000. The interest rate will increase from 8% to 10%. The period of performance is extended from June 30<sup>th</sup>, 2024 to June 30<sup>th</sup>, 2027.

*Deferred income Dutch Ministry of Foreign Affairs: 2020 – 2030*  
*'Medical Credit Fund; financing the future (MCF2), activity number 4000004301'*

	2022	2021	Realized in 2022
	EUR	EUR	EUR
Cumulative payments from Dutch Ministry of Foreign Affairs	7,500,000	7,500,000	-
<b>Cumulative realized expenses:</b>			
- Reported expenditures for the year	-	-	-
<i>Total realized expenses</i>	-	-	-
<i>Deferred income before interest</i>	<i>7,500,000</i>	<i>7,500,000</i>	
<b>Cumulative interest received:</b>			
- Reported interest for the year	-	-	-
<i>Total interest received</i>	-	-	-
<b>Deferred income after interest</b>	<b>7,500,000</b>	<b>7,500,000</b>	

In accordance with the grant decision of the Minister for Foreign Trade and Development Cooperation for "Medical Credit Fund; financing the future (MCF2), the Health Insurance Fund received a grant to grant to invest as common equity in MCF2.

*Deferred income Global Health Membership*

	2022	2021	Realized in 2022
	EUR	EUR	EUR
Cumulative payments from private donors	456,097	418,954	37,143
<b>Cumulative realized expenses:</b>			
- General program/project management	50,350	43,958	6,392
- Contribution to Health Insurance Programs	405,747	374,996	30,751
<i>Total realized expenses</i>	<i>456,097</i>	<i>418,954</i>	<i>37,143</i>
<b>Deferred income</b>	<b>-</b>	<b>-</b>	

## 11. OTHER LIABILITIES AND ACCRUED EXPENSES

	2022	2021
	EUR	EUR
Accrued expenses	310,193	309,514
<b>Balance as at 31 December</b>	<b>310,193</b>	<b>309,514</b>

### Contingent assets and liabilities

Regarding the current project portfolio Stichting Health Insurance Fund received from donors' commitments for grants for an amount over EUR 197 million (2021: EUR 108 million). Of this amount approximately EUR 123.3 million (2021: EUR 108 million) has been received. Stichting Health Insurance Fund has the obligation to make use of these promised grants according to the contracts with donors.

### Financial instruments

For the notes to financial instruments reference is made to the specific item by item note.

The main financial risks the foundation is exposed to are the currency risk, the liquidity risk and the credit risk. The foundation financial policy is aimed at mitigating these risks by:

#### *Currency risk*

The currency risk is mitigated by holding the received foreign currency pre-payments on ongoing foreign currency contracts as long as possible in the contracted foreign currency and only convert into the functional currency (EUR) based on commitments.

#### *Liquidity risk*

The liquidity risk is mitigated by monthly monitoring of the work in progress portfolio and closely monitoring and steering the deferred income position per contract.

#### *Credit risk*

The credit risk is limited as the current programs are prefunded. For the partners, the credit risk is mitigated by providing only a rolling advances.

### Non-recognised assets and liabilities and contingent assets and liabilities

In December 2016 a ten-year operational lease agreement was signed for the premises - AHTC building, 4<sup>th</sup> floor, Tower C and D - located at the Paasheuvelweg 25 in Amsterdam, the Netherlands. The yearly operational lease amount amounts to EUR 402,185. For the duration of this lease agreement the accumulated amounts involved are: < 1 year EUR 402,185 and ≥ 1 year - < 5 years EUR 938,432.

## Notes to the specific items of the statement of income and expenditure

### 12. INCOME

	2022	2021
	EUR	EUR
Realized income related to projects	11,971,357	8,882,937
Other income	37,143	38,675
	<b>12,008,500</b>	<b>8,921,611</b>

The 'Realized income related to projects' consists of:

	2022	2021
	EUR	EUR
Dutch Ministry of Foreign Affairs: 2016 - 2022	11,971,357	8,882,937
	<b>11,971,357</b>	<b>8,882,937</b>

The 'Other income' consists of:

	2022	2021
	EUR	EUR
Global Health Membership	37,143	38,675
	<b>37,143</b>	<b>38,675</b>

### 13. DIRECT PROJECT COSTS

	2022	2021
	EUR	EUR
Ministry of Foreign Affairs 2016 - 2022	11,877,982	8,822,787
Global Health Membership	37,143	38,675
	<b>11,915,125</b>	<b>8,861,462</b>

Direct project costs related to Ministry of Foreign Affairs: 2016 - 2022

	2022	2021
	EUR	EUR
Health Insurance Fund	17,739	13,661
PharmAccess	11,890,994	8,841,644
Global Health Membership *	(30,751)	(32,518)
	<b>11,877,982</b>	<b>8,822,787</b>

\*) This amount reflects the Global Health Membership (GHM) contribution to the Ministry of Foreign Affairs program.

14. PERSONNEL EXPENSES

	2022	2021
	EUR	EUR
Contracted services related to Facility Agreement	25,428	24,300
Other personnel expenses	513	513
	<b>25,941</b>	<b>24,813</b>

15. OTHER OPERATING EXPENSES

	2022	2021
	EUR	EUR
Auditing fees	36,286	20,495
Other	31,148	14,841
	<b>67,434</b>	<b>35,336</b>

## Other notes

### NUMBER OF EMPLOYEES

The average number of employees during the financial year was nil (2021: 0).

### REMUNERATION OF MEMBERS OF THE BOARD

Throughout 2022, the board of the Health Insurance Fund consisted of two board members. J.W. Marees and PharmAccess Group Foundation. The PharmAccess Group Foundation is represented by N. Spieker and J.W. Marees. With reference to the WNT, two natural persons are recognized as board member.

The board members of the Health Insurance Fund are employed by PharmAccess Foundation.

#### 2022 (WNT-format)

Name Role	N. Spieker CEO	J.W. Marees CFO
Term of employment	1/1 - 31/12	1/1 - 31/12
Employment in FTE	1.0	1.0
Formal employed	Yes	Yes
Individual WNT maximum	216,000	216,000
Remuneration	EUR	EUR
Remuneration plus taxable expense allowances	160,659	163,964
Remunerations payable in future	14,949	17,698
Total remuneration	175,608	181,662

The 2022 maximum individual executive remuneration according to the WNT is EUR 216,000 (2021: EUR 209,000). The remuneration costs for individual Directors meet the WNT-norm set by the Ministry of Foreign Affairs. The norm sets an upper boundary for remuneration.

**2021 (WNT-format)**

Name	M.D. Dolfing-Vogelenzang	N. Spieker	J.W. Marees
Role	CEO	CEO	CFO
Term of employment	1/1 - 31/10	1/11 - 31/12	1/1 - 31/12
Employment in FTE	1.0	1.0	1.0
Formal employed	Yes	Yes	Yes
Individual WNT maximum	174,167	34,833	209,000
Remuneration	EUR	EUR	EUR
Remuneration plus taxable expense allowances	132,889	25,230	155,130
Pension contribution	14,281	2,110	17,079
Total remuneration	147,170	27,340	172,209

**RESULT APPROPRIATION FOR THE YEAR**

No provisions of the Articles of Association deal with result appropriation. The result for the financial year 2022 amounts to nil and therefore no movement has been processed in the continuity reserve.

**SUBSEQUENT EVENTS**

The Ministry of Foreign Affairs decided on December 20<sup>th</sup>, 2023 to issue an amendment on the grant decision for the grant application '*CarePay, a basic mobile health contract for everyone*' and increase the maximum eligible amount with EUR 4,900,000 to EUR 29,400,000. The interest rate will increase from 8% to 10%. The period of performance is extended from June 30<sup>th</sup>, 2024 to June 30<sup>th</sup>, 2027.



## Signing of the financial statements

Amsterdam, 6 February 2024

J.W. Marees  
Director

**Stichting PharmAccess Group Foundation**  
Represented by:

N. Spieker

J.W. Marees







Evermartiano  
11Z-K395  
FFP2NR CE 2163  
EN 149:2001 + A1:2009





## Other information

### Independent auditor's report

The independent auditor's report is recorded on the next page.

# Independent auditor's report



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## Independent auditor's report

To the Management Board of Stichting Health Insurance Fund

### **Report on the audit of the financial statements for the year ended 31 December 2022 included in the annual report**

#### **Our opinion**

We have audited the financial statements for the year ended 31 December 2022 of Stichting Health Insurance Fund based in Amsterdam.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Stichting Health Insurance Fund as at 31 December 2022 and of its result for the period ending 31 December 2022 in accordance with the Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board.

The financial statements comprise:

1. the balance sheet as at 31 December 2022;
2. the statement of income and expenses for the period ending 31 December 2022; and
3. the notes comprising of a summary of the accounting policies and other explanatory information.

#### **Basis for our opinion**

We conducted our audit in accordance with Dutch law, including the Dutch Standards of Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stichting Health Insurance Fund in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Mazars N.V. with its registered office in Rotterdam (Trade register Rotterdam nr. 24389296)

**Audit protocol WNT 2022 not applicable**

For the WNT statement, as presented in the financial statements, Stichting Health Insurance Fund has utilized the WNT group statement as specified in Article 5c, paragraph 3 of the Implementation Regulation WNT 2022. In accordance with the letter from the Ministry of the Interior and Kingdom Relations to the Royal Netherlands Institute of Chartered Accountants dated February 14, 2023, with reference number 2023-0000083914, we have not performed the procedures outlined in the Audit Protocol WNT 2022. Consequently, we do not provide an opinion on the extent to which the WNT disclosures in the 2022 financial statements comply with the provisions of and pursuant to the Standards for Remuneration Top Executives Act (Wet Normering Topinkomens). Our opinion on the financial statements has not been modified as a result of this matter.

**Emphasis on the valuation of fixed assets**

We draw attention to note 1 (loans) and note 2 (participating interests) in the financial statements where additional information is included on the valuation of the loans and participating interests. The financial fixed assets are valued at purchase price. Based on the grant contracts with the Ministry of Foreign Affairs, no impairment has been recognized. Our opinion has not been modified as a result of this matter.

**Report on the other information included in the annual report**

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by the Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The management board is responsible for the preparation of the other information, including the Management Board report in accordance with the Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board.

## Description of responsibilities regarding the financial statements

### Responsibilities of the management board for the financial statements

The management board is responsible for the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board. Furthermore, the management board is responsible for such internal control as the management board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the management board is responsible for assessing the organisation's ability to continue as a going concern. Based on the financial reporting framework mentioned, the management board should prepare the financial statements using the going concern basis of accounting, unless the management board either intends to liquidate the organisation or to cease operations, or has no realistic alternative but to do so.

The management board should disclose events and circumstances that may cast significant doubt on the organisation's ability to continue as a going concern in the financial statements.

### Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with the Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organisation's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management board;
- concluding on the appropriateness of the management board's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a organisation to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Amsterdam, 6 February 2024

Mazars N.V.

Original was signed by drs. M van Dijk RA





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