

A large, stylized star graphic composed of white and light grey geometric shapes, set against a dark grey background with a subtle radial pattern. The star has a central white point and several arms extending outwards.

ANNUAL ACCOUNTS 2011
NORTH STAR ALLIANCE

COMBINED AUDITED FINANCIAL
STATEMENTS

North Star Alliance

Combined annual financial statements for the year ended 31 December 2011

Index

The reports and statements set out below comprise the combined annual financial statements presented to the members:

Index	Page
Directors' responsibilities and approval	2
Report of the compiler	3
Independent auditors' report	4
Directors' report	5
Executive director's commentary	6
Statement of financial position	7
Statement of comprehensive income	8
Statement of changes in equity	9
Statement of cash flows	10
Accounting policies	11
Notes to the combined annual financial statements	12 - 14

The following supplementary information does not form part of the combined annual financial statements and is unaudited:

Detailed statement of financial performance	15
---	----



Directors' responsibilities and approval

The directors are required to maintain adequate accounting records and are responsible for the content and integrity of the combined annual financial statements and related financial information included in this report. It is their responsibility to ensure that the combined annual financial statements fairly present the state of affairs of the organisation as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the combined annual financial statements.

The combined annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.


The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the organisation and all employees are required to maintain the highest ethical standards in ensuring the organisation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

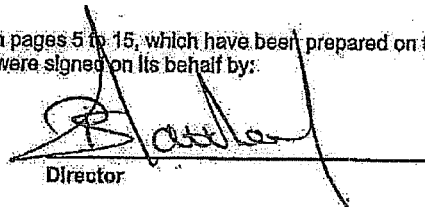
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the combined annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the organisation's cash flow forecast for the year to 31 December 2012 and, in the light of this review and the current financial position, they are satisfied that the organisation has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the organisation's combined annual financial statements. The combined annual financial statements have been examined by the organisation's external auditors and their report is presented on page 4.

The combined annual financial statements set out on pages 5 to 15, which have been prepared on the going concern basis, were approved by the board on 15 March 2012 and were signed on its behalf by:

Director 


Director

Utrecht
The Netherlands

15 March 2012



Report of the compiler

To the members of North Star Alliance

On the basis of information provided by the directors, we have compiled in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, the annual financial statements of North Star Alliance for the year ended 31 December 2011. The directors are ultimately responsible for the annual financial statements.

The financial statements have been audited by Nwanda Incorporated. Please refer to their independent report on page 4.

Upward Spiral

Upward Spiral 1079 CC
15 March 2012





Independent auditors' report

To the members of North Star Alliance

We have audited the combined annual financial statements of North Star Alliance, which comprise the statement of financial position as at 31 December 2011, and the statement of comprehensive income, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 5 to 14.

Directors' responsibility for the combined annual financial statements

The organisation's directors are responsible for the preparation and fair presentation of these combined annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. This responsibility includes: designing, implementing and maintaining internal controls the directors determine necessary to enable the preparation of combined annual financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these combined annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the combined annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the combined annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organisation's preparation and fair presentation of the combined annual financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the combined annual financial statements.

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

Opinion

In our opinion, the combined annual financial statements present fairly, in all material respects, the financial position of North Star Alliance as at 31 December 2011, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

Supplementary information

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on page 15 does not form part of the combined annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

Nwanda Incorporated

Nwanda Incorporated
Chartered Accountants (S.A.)
Registered Auditors
Practice number: 952451

The Chambers
Cambridge Place Office Park
Kirkby Road, Bedford Gardens
Bedfordview
2007
South Africa

Per: RA Macpherson
15 March 2012

Chartered Accountants and Registered Auditors (PR No. 952451)

Nwanda Incorporated • Registration Number 2004/003741/21 • The Chambers, Cambridge Place Office Park, Kirkby Road, Bedford Gardens
P.O. Box 751767, Gardenview, 2047 • E-mail: nwanda@nwanda.co.za • www.nwanda.co.za
Tel 011 622 0926 / 011 615 8420 / 011 615 8428 / 011 616 7962 / 011 616 9092 • Fax 011 622 7956

Directors: • Roy Macpherson • Robert Borrill • Mauritz Jankowitz • Paul Bloch



North Star Alliance

Combined annual financial statements for the year ended 31 December 2011

Directors' report

The directors submit their report for the year ended 31 December 2011.

1. Review of activities

Main business and operations

North Star Alliance's business and operations and the results thereof are clearly reflected in the attached financial statements.

The organisation operates within three entities:

- 1) Stichting North Star Foundation (a Non Profit Foundation in The Netherlands)
- 2) North Star Alliance (South Africa) (a Non Profit Company in South Africa)
- 3) North Star Alliance - East Africa (a Non Profit Society in Kenya)

The combined annual financial statements include the combined results of the above three entities.

The main objective of the organisation is to develop wellness centres for people within the transport industry, with particular attention on the prevention and education of HIV and AIDS.

The operating results and state of affairs of the organisation are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

2. Events after the reporting period

The directors are not aware of any matter or circumstance arising since the end of the financial year up to the date of the audit report.

3. Property, plant and equipment

There were no major changes in the nature of property, plant and equipment during the year or to the policies relating to their use.

Property, plant and equipment costing €40,329 (2010: € 84,619) was acquired during the period under review.

4. Directors

The directors of North Star Alliance during the year and to the date of this report are as follows:

Name	Nationality
L.J.E. Disney	Irish
P.S. Matthew	South African
R.J. Landis	American

5. Auditors

Nwanda Incorporated are the auditors of North Star Alliance (South Africa) and North Star Alliance - East Africa. Pricewaterhouse Coopers are the auditors of the Stichting North Star Foundation.



Dear Friends,

North Star Alliance turned five in 2011. It was a year to remember for many reasons. At times our managers must have felt like conductors on an overbooked passenger train: thrilled with the demand but stressed to ensure a smooth ride while adding carriages and training new staff as the engine was speeding down the tracks. Of course, they pulled it off with aplomb, but, it required a fine sense of balance (and sometimes a bit of luck).

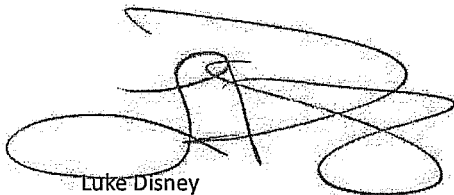
With the global financial crisis hitting government and corporate stakeholders equally our fundraising efforts got off to a slow start. Combined with delays in signing a major contract, our financial team stayed on its toes to keep cash flowing the first half of the year. A collective effort at all levels of the organization helped to avoid serious repercussions, although we were forced to postpone or cancel a number of activities. By the fourth quarter, the situation was stabilized and we closed off the year with a better result than 2010, albeit significantly lower than expectations.

On the ground, we added three new Roadside Wellness Centres (RWCs) to our network, including our first in The Gambia and two new ones in Tanzania. We welcomed several new employees to the team, mostly in Southern Africa, where our partnership with the Southern Africa Development Community (SADC) officially kicked-off. Working with the SADC Member States and local NGO partners we will set up 29 mobile RWCs in the region over the next five years.

In Central and Eastern Africa, we concluded partnership agreements with the Heineken Africa Foundation to support two RWCs in the Democratic Republic of Congo and with Soa Aids Netherlands to develop an innovative sex workers' programme in Kenya and Uganda. We also deepened our already strong working relationship with the Kenyan health authorities which led to the registration of our Mlolongo RWC as an official government health facility. As a result of the increased resources accompanying registration, we launched our first antiretroviral and tuberculosis treatment programmes, a major milestone on our journey to improve health services for mobile workers and communities.

We owe a huge debt of gratitude to our many partners, old and new, whose support made these and other achievements possible. We now work with almost 70 different organizations at the local, regional and international levels. In 2011, after several years of close collaboration, we were delighted to welcome PharmAccess International as our sixth core partner. We also signed Memoranda of Understanding with Fleet Forum and the West African Health Organization, to enable closer working relationships in the future. Each contribution on its own is valuable and appreciated, but the ability of such a diverse group of organizations and interests to work in synchronicity is truly amazing.

I am grateful to my colleagues for the dedication and perseverance they have shown over the last 12 months; particularly our RWC teams, who form the critical link to those we serve. Their commitment and resourcefulness never ceases to impress me. My gratitude also, to our regional and head office employees who constantly find new ways of turning constraints into foundations for innovation. I look forward to continuing our journey together in 2012.



Luke Disney

Executive Director



North Star Alliance

Combined annual financial statements for the year ended 31 December 2011

Statement of financial position

	Note	2011 €	2010 €
Assets			
Non-current assets			
Property, plant and equipment	2	79 680	91 116
Current assets			
Trade and other receivables	3	102 950	265 610
Cash and cash equivalents	4	603 164	235 030
		706 114	500 640
Total assets		785 794	591 756
Equity and liabilities			
Equity			
Foreign currency translation reserve	5	(7 254)	(2 443)
Restricted funds	6	257 825	213 992
Unrestricted funds	7	180 599	23 392
		431 170	234 941
Liabilities			
Non-current liabilities			
Instalment sale	8	8 731	21 125
Current liabilities			
Instalment sale	8	23 790	8 516
Trade and other payables	9	182 103	327 174
Deferred income	10	140 000	-
		345 893	335 690
Total liabilities		354 624	356 815
Total equity and liabilities		785 794	591 756



North Star Alliance

Combined annual financial statements for the year ended 31 December 2011

Statement of comprehensive income

	Note	2011 €	2010 €
Donations	11	2 893 460	2 255 008
Other income		4 980	-
Operating expenses		(2 697 881)	(2 430 415)
Operating surplus (deficit)	12	200 559	(175 407)
Interest received	13	1 171	5 268
Finance costs		(690)	-
Surplus (deficit) for the year		201 040	(170 139)
Allocation of surplus/(deficit) :			
Addition/(reduction) to restricted funds		43 833	(52 910)
Addition/(reduction) to unrestricted funds		157 207	(117 229)
Total comprehensive surplus (deficit) for the year		201 040	(170 139)

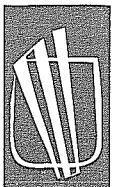


North Star Alliance

Combined annual financial statements for the year ended 31 December 2011

Statement of changes in equity

	Foreign currency translation reserve €	Restricted funds €	Total reserves €	Unrestricted funds €	Total equity €
Balance at 01 January 2010	8 162	266 902	275 064	140 621	415 685
Changes in equity					
Total deficit for the year	-	(52 910)	(52 910)	(117 229)	(170 139)
Movement in reserve	(10 605)	-	(10 605)	-	(10 605)
Total changes	(10 605)	(52 910)	(63 515)	(117 229)	(180 744)
Balance at 01 January 2011	(2 443)	213 992	211 549	23 392	234 941
Changes in equity					
Total surplus for the year	-	43 833	43 833	157 207	201 040
Movement in reserve	(4 811)	-	(4 811)	-	(4 811)
Total changes	(4 811)	43 833	39 022	157 207	196 229
Balance at 31 December 2011	(7 254)	257 825	250 571	180 599	431 170

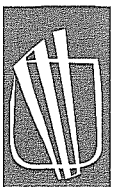


North Star Alliance

Combined annual financial statements for the year ended 31 December 2011

Statement of cash flows

	Note	2011 €	2010 €
Cash flows from operating activities			
Funds received from donors		2 074 815	1 674 727
Cash paid to suppliers and employees		(1 689 255)	(1 647 619)
Cash generated from operations	14	385 560	27 108
Interest income		1 171	5 268
Finance costs		(690)	-
Net cash from operating activities		386 041	32 376
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(40 329)	(84 619)
Sale of property, plant and equipment	2	19 542	-
Net cash from investing activities		(20 787)	(84 619)
Cash flows from financing activities			
Movement in instalment sale liabilities		2 880	29 641
Total cash movement for the year		368 134	(22 602)
Cash at the beginning of the year		235 030	257 632
Total cash at end of the year	4	603 164	235 030



North Star Alliance

Combined annual financial statements for the year ended 31 December 2011

Accounting policies

1. Presentation of combined annual financial statements

(a) **Basis of Preparation**

The financial statements are prepared on an accrual basis.

(b) **Revenue Recognition**

Donations in cash are recognised on receipt of a confirmation of donation from the donors, except for revenue relating to future years, which is recorded on the statement of financial position as deferred income. All donations received in foreign currencies are translated into the functional currency for that specific entity at the exchange rates on the date of receipt. Any donation in the year designated for a specific purpose that is not fully spent is allocated to the restricted funds balance.

(c) **Foreign currency transactions**

A foreign currency transaction is recorded by the three entities, on initial recognition in the specific currency for that entity, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of each reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous combined annual financial statements are recognised in profit or loss in the period in which they arise.

(d) **Taxation**

No provision for tax or deferred tax is recognised as the three entities are exempt from taxation.

(e) **Property, plant and equipment**

Containers and container refurbishment are expensed.
Computer equipment, furniture and fittings, office equipment and motor vehicles are capitalised.

(f) **Currency**

The financial statements are presented in Euros

(g) **Rates of Depreciation**

	Rate%
Computer equipment	33.33
Furniture and fittings	25.00 - 33.00
Office equipment	25.00
Motor vehicles	20.00

(h) **Fund Balances**

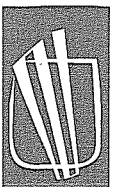
Fund balances are classified as either unrestricted or restricted.

(a) **Unrestricted funds**

These are not subject to any legal or third party restriction and can be applied as the organisation sees fit. Unrestricted fund balances may be designated for specific purposes to meet future obligations or risks.

(b) **Restricted funds**

Restricted fund balances comprise of unspent funds that have been restricted to specific purposes by donors.



North Star Alliance

Combined annual financial statements for the year ended 31 December 2011

Notes to the combined annual financial statements

	2011 €	2010 €
--	-----------	-----------

2. Property, plant and equipment

	2011			2010		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Furniture and fittings	35 955	(18 105)	17 850	35 199	(9 315)	25 884
Motor vehicles	32 029	(2 920)	29 109	27 649	(5 069)	22 580
Office equipment	30 209	(13 652)	16 557	28 962	(6 490)	22 472
Computer equipment	40 757	(24 593)	16 164	34 459	(14 279)	20 180
Total	138 950	(59 270)	79 680	126 269	(35 153)	91 116

Reconciliation of property, plant and equipment - 2011

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fittings	25 884	755	-	(8 789)	17 850
Motor vehicles	22 580	32 029	(19 542)	(5 958)	29 109
Office equipment	22 472	1 247	-	(7 162)	16 557
Computer equipment	20 180	6 298	-	(10 314)	16 164
	91 116	40 329	(19 542)	(32 223)	79 680

Reconciliation of property, plant and equipment - 2010

	Opening balance	Additions	Foreign exchange movements	Depreciation	Total
Furniture and fittings	13 254	20 052	86	(7 508)	25 884
Motor vehicles	-	27 649	-	(5 069)	22 580
Office equipment	7 555	20 328	50	(5 461)	22 472
Computer equipment	12 507	16 590	(61)	(8 856)	20 180
	33 316	84 619	75	(26 894)	91 116

3. Trade and other receivables

Donations and other receivables	102 950	265 610
---------------------------------	---------	---------

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances and small amounts of cash	603 164	235 030
---	---------	---------

An amount of € 6,472 (2010: € 6,367) is included for a bank guarantee deposited for the landlord of the Utrecht office.

5. Foreign currency translation reserve

Translation reserve comprises exchange differences on conversion of entities reported in South African Rands and Kenyan Shillings to Euros.

Opening balance	(2 443)	8 162
Movement for the year	(4 811)	(10 605)
	(7 254)	(2 443)



North Star Alliance

Combined annual financial statements for the year ended 31 December 2011

Notes to the combined annual financial statements

	2011 €	2010 €
6. Restricted funds		
Feasibility studies in India and Brazil	-	50 000
Japanese Embassy (for Kenya)	2 427	10 206
Heineken (for DRC)	50 956	-
Chevron (for Swaziland)	4 170	-
SIDA (for Namibia)	17 137	22 145
World Food Programme (for Zambia, Mozambique, Kenya and certain travel expenses)	30 703	92 229
AidsFonds	46 464	-
SADC Global Fund (for Southern Africa)	105 968	-
West Africa	-	39 412
Total restricted funds	257 825	213 992
<p>Restricted funds comprise donor receipts which have been received for specific purposes and which remain unspent at the end of the financial year.</p>		
7. Unrestricted funds		
Balance at start of year	23 392	140 621
Surplus /(deficit) for year	157 207	(117 229)
Balance at year end	180 599	23 392
8. Instalment sale		
Non-current liabilities	8 731	21 125
Current liabilities	23 790	8 516
	32 521	29 641
<p>The average term is 3-5 years and the average effective borrowing rate is 11% on South African Rands. The instalment sale is secured by property, plant and equipment.</p>		
9. Trade and other payables		
Trade and other payables	90 591	204 810
Accruals	91 512	122 364
	182 103	327 174
10. Deferred income		
The Ministry of Foreign Affairs of the Netherlands	140 000	-
	140 000	-
11. Donations		
Governments	1 056 391	
Corporates	580 401	
NGO's	475 373	
Contributions in kind	781 295	
	2 893 460	



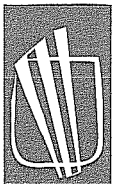
North Star Alliance

Combined annual financial statements for the year ended 31 December 2011

Notes to the combined annual financial statements

	2011 €	2010 €
12. Operating surplus (deficit)		
Operating surplus (deficit) for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	45 467	46 969
Auditors' remuneration - current year	18 435	17 445
Auditors' remuneration - prior year underprovision	-	2 264
Depreciation on property, plant and equipment	32 223	26 894
Employee costs	1 317 718	975 011
13. Interest received		
Interest received		
Bank	1 171	5 268
14. Cash generated from operations		
Surplus (deficit)	201 040	(170 139)
Adjustments for:		
Interest received	(1 171)	(5 268)
Finance costs	690	-
Depreciation	32 223	26 894
Foreign exchange and other	(4 811)	(10 679)
Changes in working capital:		
Trade and other receivables	162 660	60 651
Trade and other payables	(145 071)	125 649
Deferred income	140 000	-
	385 560	27 108
15. Commitments		
Operating leases – as lessee (expense)		
Minimum lease payments due		
- within one year	33 576	38 408
- in second to fifth year inclusive	73 987	1 190
	107 563	39 598
16. Directors' emoluments		
Executive		
2011		
For services as directors	Emoluments 438 470	Total 438 470
17. Comparative figures		

The comparative donation figure has changed due to some donations previously being booked directly to restricted funds.



North Star Alliance

Combined annual financial statements for the year ended 31 December 2011

Detailed statement of financial performance

	Note	2011 €	2010 €
Revenue			
Donations		2 893 460	2 255 008
Other income			
Other income		4 980	-
Interest received	13	1 171	5 268
		6 151	5 268
Operating expenses			
Employee costs		1 317 718	975 011
Establishment costs		144 191	158 342
Finance, legal and administration		128 624	186 278
Integrated computer technology		459 631	431 333
Marketing, communications and fundraising		171 532	141 782
Prevention		57 281	140 195
Running costs		266 799	224 195
Travel costs		152 105	173 279
		2 697 881	2 430 415
Operating profit (loss)	12	201 730	(170 139)
Finance costs		(690)	-
Surplus (deficit) for the year		201 040	(170 139)

The supplementary information presented does not form part of the annual financial statements and is unaudited

