

# Annual Accounts 2018

North Star Alliance  
Combined Annual Financial Statements



  
**North Star  
Alliance**

[northstar-alliance.org](http://northstar-alliance.org)

## General Information

COUNTRY OF INCORPORATION AND  
DOMICILE

the Netherlands, South Africa and  
Kenya

DIRECTORS

Ylse van der Schoot  
Paul Matthew (until 30 June 2018)  
Eva Mwai  
Michael Becker (from 1 July 2018)

AUDITORS

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

PREPARER

The Combined Annual Financial  
Statements were independently  
compiled by:  
N.P. Mafela CA(SA)

# Index

The reports and statements set out below comprise the Combined Annual Financial Statements to the members:

INDEX .....	Page
<b>General Information .....</b>	<b>2</b>
<b>Directors' Responsibilities and Approval.....</b>	<b>4 - 5</b>
<b>Independent Auditors' Report.....</b>	<b>6 - 7</b>
<b>Directors' Report .....</b>	<b>8 - 9</b>
<b>Directors' Commentary.....</b>	<b>10 - 11</b>
<b>Statement of Financial Position.....</b>	<b>12</b>
<b>Statement of Comprehensive Income .....</b>	<b>13</b>
<b>Statement of Changes in Equity.....</b>	<b>14</b>
<b>Statement of Cash Flows .....</b>	<b>15</b>
<b>Accounting Policies .....</b>	<b>16 - 17</b>
<b>Notes to the Combined Annual Financial Statements.....</b>	<b>18 - 21</b>
<b>Detailed Statement of Comprehensive Income<sup>1</sup> .....</b>	<b>22</b>

---

<sup>1</sup> The supplementary information presented does not form part of the combined annual financial statements and is unaudited.

## Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa, 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 audit 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 judgements 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.

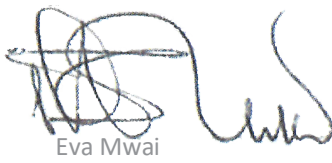
The directors have reviewed the organisation's cash flow forecast for the year to 31 December 2019 and, in the light of this review and the current financial position, they are satisfied that the organisation has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing 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 pages 6 - 7.

The Combined Annual Financial Statements set out on pages 12 to 22, which have been prepared on the going concern basis, were approved by the Board on 7 June 2019 and were signed on its behalf by:



Ylse van der Schoot  
*Executive Director*



Eva Mwai  
*Regional Director  
East Africa*



Michael Becker  
*Acting Director  
Southern Africa*

07 June 2019

## Independent Auditors' Report

### Opinion

We have audited the Combined Annual Financial Statements of North Star Alliance set out on pages 12 to 21, which comprise the Statement of Financial Position as at 31 December 2018, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Combined Annual Financial Statements, including a summary of significant accounting policies.

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 2018, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Combined Annual Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of the directors for the Combined Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the Combined Annual Financial Statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of Combined Annual Financial Statements that are free from material misstatement, whether due to fraud or error.

### Auditors' responsibilities for the audit of the Combined Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the Combined Annual Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. 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 Combined Annual Financial Statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Combined Annual Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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.

- Obtain 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 auditors' report to the related disclosures in the Combined Annual 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 auditors' report. However, future events or conditions may cause the organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Combined Annual Financial Statements, including the disclosures, and whether the Combined Annual Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Nwanda Incorporated  
Chartered Accountants (S.A.)  
Registered Auditors  
Practice number: 952451  
Per: R.A. Macpherson  
07 June 2019

## Directors' Report

The directors submit their report for the year ended 31 December 2018.

### 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 Alliance (a Not for Profit Organisation in The Netherlands)
2. North Star Alliance Southern 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 mission of the organisation is to provide quality healthcare to mobile workers and the communities they interact with.

The operating results and state of affairs of the organisation are fully set out in the attached Combined Annual Financial Statements and do not in our opinion require any further comment.

### 2. GOING CONCERN

The Combined Annual Financial Statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

### 3. EVENTS AFTER THE REPORTING PERIOD

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

### 4. PROPERTY, PLANT AND EQUIPMENT

There were no major changes in the nature of the non-current assets during the year or to the policies relating to their use.

Non-current assets purchased in the current year amounted to €23,873 (2017: €29 533).

### 5. DIRECTORS

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

Name	Nationality	Changes
Y. C. van der Schoot	Dutch	
P.S. Matthew	South African	Resigned 30 June 2018
E.W. Mwai	Kenyan	



## 6. AUDITORS

Nwanda Incorporated are the auditors of North Star Alliance Southern Africa (Non Profit Company).

Mazars are the auditors of North Star Alliance - East Africa.

With accountants BV are the auditors of Stichting North Star Alliance.

## Directors' Commentary

Dear readers,

We are very pleased to present our 2018 audited financial statements. These accounts not only provide a comprehensive overview of the areas in which North Star Alliance has been investing its funding during the previous 12 months, but also a reflection of our continued commitment towards achieving the key outcomes and deliverables outlined in our 2017-2020 Strategic Outlook, particularly the five key objectives highlighted in our 2018 targets.

Having committed to the introduction of a matrix management model, the early stages of this transition have already begun to vindicate this decision. This managed transformation has not only provided more opportunity for managers to participate in the leadership of the organisation, but has also allowed for there to be a more fluid flow of information, sharing of best practice and learning between the East and Southern African regions.

2018 was a year of consolidation and transition across our regions and network, during which work has also continued to preserve and facilitate North Star's longer-term sustainability. Based on the research and reviews carried out, the decision was taken to initiate an innovative pilot project, to open a revenue generation clinic in South Africa in 2020. This aligns with our strategy to diversify our funding sources and if successful, the model will be scaled up and replicated across the Southern and East African regions.

In addition to the 22 clinics we currently manage, North Star's footprint continues to extend across the continent, largely as a result of transitioning significant numbers of blue box clinics to other service providers. This includes for example, handing over 27 Roadside Wellness Centres (RWCs) that were established by North Star, to the Ministries of Health based within 11 Southern African Development Community (SADC) countries. This also exemplifies our commitment to expedite Health System Strengthening (HSS), whilst demonstrating the continued expansion of our strategic collaborations with governmental partners throughout the region.

Our partnership with Aidsfonds successfully continued in both the Southern and East African regions. Nine of our Southern RWCs are now participating in the HandsOff! joint collaborative programme, with one of the key outcomes being the introduction of the Crisis Response Team (CRT) initiative, which provides a safety net mechanism to protect sex workers from sex related violence and possible HIV transmission. The CRT roll out contributed significantly to North Star securing further funding from Aidsfonds for 2019-2020. In East Africa, our Aidsfonds partnership further strengthened our relationships with the Ministries of Health in Kenya and Tanzania, as well as Uganda where they funded our new clinic in Namanve, near Kampala City.

Our Mlolongo Wellness Centre in Kenya also reopened in October and has now become the largest and busiest across our entire network. In Tanzania we continued the work with our long-term partners the Trafigura and Puma Energy Foundation, together with related corporates Impala and Puma Energy, by proceeding with the implementation of the Health and Safe Supply Chains project. Truck drivers from a record 454 transport companies received services from our blue boxes in 2018, where they accessed essential health services as well as advice and consultation on road safety. Our partners SHOPS Plus, hired a consultant to register our six Blue Box clinics Tanzania, with the Ministry of Health, Community Development, Gender, Elderly and Children (MoHCDEC). This will lead to a far smoother and efficient flow of medical supplies, as well as the introduction of ART services to these clinics.

Having identified a software package and developer that best fits the specifications for our new cross-border electronic medical record (EMR) system, we've now progressed into the next phase of finalising the implementation plan, which will precede the development, training and piloting phase. We're also continuing our efforts in the meantime, to raise further funds to take forward the next steps for the future roll-out throughout our network of clinics in 2020.

Our networking, account management, fundraising and brand awareness efforts also intensified throughout the year, not least by participating at the 2018 International Aids Conference in Amsterdam. To maximise our presence, we presented at several satellite sessions, attended a range of partner events, invited visitors to our film screening, hosted our own networking event, featured in the AIDS2018 magazine and arranged meetings with many of our current and prospective strategic partners. In addition to AIDS2018, North Star were also represented on a panel discussion at the Fifth Global Health Systems Research Symposium in Liverpool and also participated at the invitation only Innovations in Healthcare Annual Forum in Washington, at which our Strategic Advisor was a panel member during one of the sessions.

Our current outlook on the 2019 budget reveals a modest deficit, for which the available unrestricted fund balance could be made available. Based on current networking, projects and verbal indications, we expect that new funding opportunities could be confirmed, opening the doors for North Star Alliance to make even more headway.

We very much look forward to the bright future that lies ahead. We'd also like to take this opportunity to once again thank you for your role in supporting North Star's continued development, which has enabled us to make significant progress, as outlined in these statements.

## Statement of Financial Position as at 31 December 2018 (in Euro)

(after appropriation of income and expenditure)

<b>ASSETS</b>	Note	<u>2018</u>	<u>2017</u>
<b>Non-current assets</b>			
Property, Plant and Equipment	2	<u>48,506</u>	<u>53,217</u>
<b>Current assets</b>			
Trade and other receivables	3	305,499	278,122
Cash and cash equivalents	4	<u>1,104,316</u>	<u>1,606,636</u>
		<b><u>1,409,815</u></b>	<b><u>1,884,758</u></b>
<b>TOTAL ASSETS</b>		<b><u>1,458,321</u></b>	<b><u>1,937,975</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Restricted funds	5	7,163	248,110
Unrestricted funds	6	1,082,375	1,124,564
Continuity reserve		250,000	250,000
Foreign currency translation reserve	7	<u>(199,649)</u>	<u>(126,244)</u>
		<u>1,139,889</u>	<u>1,496,430</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Deferred Income	8	27,919	166,667
Trade and other payables	9	<u>290,513</u>	<u>274,878</u>
		<b><u>318,432</u></b>	<b><u>441,545</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>1,458,321</u></b>	<b><u>1,937,975</u></b>

## Statement of Comprehensive Income for the year ended 31 December 2018 (in Euro)

	Note	2018	2017
Donations	10	3,435,589	5,478,779
Other Income		14,003	54,288
Operating expenses		<u>(3,747,340)</u>	<u>(5,872,262)</u>
<b>Operating deficit</b>	11	<b>(297,748)</b>	<b>(339,195)</b>
Interest received	12	<u>14,612</u>	<u>549</u>
<b>Deficit for the year</b>		<b>(283,136)</b>	<b>(338,646)</b>
Allocation of deficit:			
(Deduction)/addition (from)/to restricted funds		(240,947)	(756,370)
(Deduction)/addition (from)/to unrestricted funds		<u>(42,189)</u>	<u>417,724</u>
<b>Total comprehensive deficit for the year</b>		<b><u>(283,136)</u></b>	<b><u>(338,646)</u></b>

## Statement of Changes in Equity for the year ended 31 December 2018 (in Euro)

	Foreign currency translation reserve	Continuity reserve	Restricted funds	Total reserves	Unrestricted funds	Total equity
<b>Balance at 1 January 2017</b>	<b>(85,644)</b>	<b>250,000</b>	<b>1,004,480</b>	<b>1,168,836</b>	<b>706,840</b>	<b>1,875,676</b>
Total deficit for the year	-	-	(756,370)	(756,370)	417,724	(338,646)
Movement in reserve	(40,600)	-	-	(40,600)	-	(40,600)
Total changes	(40,600)	-	(736,370)	(796,970)	417,724	(379,246)
<b>Balance at 1 January 2018</b>	<b>(126,244)</b>	<b>250,000</b>	<b>248,110</b>	<b>371,866</b>	<b>1,124,564</b>	<b>1,496,430</b>
Total deficit for the year	-	-	(240,947)	(240,947)	(42,189)	(283,136)
Movement in reserve	(73,405)	-	-	(73,405)	-	(73,405)
Total changes	(73,405)	-	(240,947)	(314,352)	(42,189)	(356,541)
<b>Balance at 31 December 2018</b>	<b>(199,649)</b>	<b>250,000</b>	<b>7,163</b>	<b>57,514</b>	<b>1,082,375</b>	<b>1,139,889</b>

p

## Statement of Cash Flows for the year ended 31 December 2018 (in Euro)

	Note	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Funds received from donors		3,408,212	5,831,993
Cash paid to suppliers and employees		<u>(3,901,271)</u>	<u>(5,916,920)</u>
Cash generated from operations	13	(493,059)	(84,927)
Interest income		<u>14,612</u>	<u>549</u>
Net cash from operating activities		<u><u>(478,447)</u></u>	<u><u>(84,378)</u></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	2	<u>(23,873)</u>	<u>(29,533)</u>
Net cash from investing activities		<u><u>(23,873)</u></u>	<u><u>(29,533)</u></u>
Total cash movement for the year		(502,320)	(113,911)
Cash at the beginning of the year		<u>1,606,636</u>	<u>1,720,547</u>
Total cash at end of the year	4	<u><u>1,104,316</u></u>	<u><u>1,606,636</u></u>

## 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) **Translation of Foreign Currencies**  
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.  
Exchange differences arising on the settlement of monetary items at rates different from those at which they were originally recorded are recognised in profit or loss in the period in which they arise.  
At the end of each reporting period, assets and liabilities, irrespective of whether they are monetary or nonmonetary, denominated in different currencies, are translated into Euros at the closing rate.  
The resulting exchange difference from the translation of assets and liabilities to Euros at closing rates is recognised in equity as a foreign currency translation reserve.
- 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 passenger motor vehicles are capitalised.
- f) **Currency**  
The financial statements are presented in Euro.
- g) **Rates of depreciation**
- |                          |                 |
|--------------------------|-----------------|
| IT equipment             | 33.33%          |
| Furniture and fixtures   | 25.00% - 33.00% |
| Office equipment         | 25.00%          |
| Passenger 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 company 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.

i) Reserves

The organisation has established a continuity reserve. This reserve can be used, after Board approval, to expense costs relating to winding down the organisation or any part of it.

## Notes to the Combined Annual Financial Statements

### 2. PROPERTY, PLANT AND EQUIPMENT

	2018			2017		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fittings	20,911	18,928	1,983	33,202	28,716	4,486
Passenger motor vehicles	35,242	19,360	15,882	39,191	14,177	25,015
Office equipment	28,829	25,752	3,077	26,815	22,098	4,717
Computer equipment	104,431	76,867	27,564	88,690	69,690	18,999
<b>Total</b>	<b>189,413</b>	<b>140,907</b>	<b>48,506</b>	<b>187,898</b>	<b>134,681</b>	<b>53,217</b>

#### Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Disposals	Depreciation	Exchange rate diff.	Total
Furniture and fittings	4,486	-	-	2,379	(124)	1,983
Passenger motor vehicles	25,015	-	-	6,963	(2,170)	15,882
Office equipment	4,717	1,108	-	2,940	192	3,077
Computer equipment	18,999	22,765	-	15,011	811	27,564
	<b>53,217</b>	<b>23,873</b>	<b>-</b>	<b>27,293</b>	<b>(1,291)</b>	<b>48,506</b>

#### Reconciliation of property, plant and equipment – 2017

	Opening balance	Additions	Disposals	Depreciation	Exchange rate diff.	Total
Furniture and fittings	6,902	1,701	-	3,816	(301)	4,486
Passenger motor vehicles	16,167	19,740	2,695	7,603	(594)	25,015
Office equipment	8,329	686	-	3,450	(848)	4,717
Computer equipment	36,448	7,405	-	21,638	(3,216)	18,999
	<b>67,846</b>	<b>29,533</b>	<b>2,695</b>	<b>36,507</b>	<b>(4,959)</b>	<b>53,217</b>

### 3. TRADE AND OTHER RECEIVABLES

	2018	2017
Donations and other receivables	305,499	278,122

### 4. CASH AND CASH EQUIVALENTS

	2018	2017
Cash and cash equivalents consist of:		
Bank balances and small amounts of cash	1,104,316	1,606,636

An amount of € 6,781 (2017: € 6,781) is included for a bank guarantee deposited for the landlord of the Utrecht office. The cash balance includes an amount of € 250,000 for the continuity reserve.

## 5. RESTRICTED FUNDS

	<b>2018</b>	<b>2017</b>
Chevron (for Southern Africa)	6,839	964
Aids Fonds (for Southern Africa)	45,139	72,820
SADC (for Southern Africa)	-	41,945
SADC HIV Fund Proposal A	-	61,718
SADC HIV Fund Proposal B	-	33,446
SADC HIV Fund Proposal 1	(41,799)	-
SADC HIV Fund Proposal 2	(64,773)	-
SADC HIV Fund Proposal 3	(77,080)	-
SADC HIV Fund Proposal 4	(33,414)	-
Sappi (for Southern Africa)	84,268	-
ViiV Healthcare UK Limited (for the Netherlands)	-	25,097
Johnson & Johnson Corporate Citizenship Trust	-	4,907
WHRI (for Southern Africa)	-	57,257
TIMS (for Southern Africa)	-	(50,044)
SOA Aids (for East Africa)	61,562	-
Other (Translation difference on previous restricted funds)	12,593	-
London School of Hygiene and Tropical Medicine (for East Africa)	13,828	-
<b>Total restricted funds</b>	<b>7,163</b>	<b>248,110</b>

Restricted funds comprise donor receipts which have been received for specific purposes and which remain unspent at the end of the financial year.

## 6. UNRESTRICTED FUNDS

	<b>2018</b>	<b>2017</b>
Balance at start of the year	1,124,564	706,840
(Deficit) surplus for the year	(42,189)	417,724
<b>Balance at year end</b>	<b>1,082,375</b>	<b>1,124,564</b>

## 7. FOREIGN CURRENCY TRANSLATION RESERVE

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

	<b>2018</b>	<b>2017</b>
Opening balance	(126,244)	(85,644)
Movement for the year	(73,405)	(40,600)
	<b>(199,649)</b>	<b>(126,244)</b>

## 8. DEFERRED INCOME

	2018	2017
-		
Johnson & Johnson Corporate Citizenship Trust	-	166,667
The King Baudouin Foundation United States, Inc.	27,919	
	<u>27,919</u>	<u>166,667</u>

## 9. TRADE AND OTHER PAYABLES

	2018	2017
Trade payables	195,379	142,713
Accruals	95,134	132,164
	<u>290,513</u>	<u>274,877</u>

## 10. DONATIONS

	2018	2017
Governments	641,923	2,023,077
Corporations	1,143,494	805,001
Other foundations	103,372	-
NGO's	1,546,800	2,627,013
Contribution in kind	-	23,688
	<u>3,435,589</u>	<u>5,478,779</u>

## 11. OPERATING DEFICIT

Operating deficit for the year is stated after accounting for the following:

	2018	2017
Operating lease charges		
Premises		
- Contractual amounts	69,404	101,596
	<u>69,404</u>	<u>101,596</u>
(Profit) loss on exchange differences	(39,737)	48,579
Auditors' remuneration - current year	26,545	26,308
Auditors' remuneration - other services	3,630	
Depreciation on property, plant and equipment	27,293	36,507
Employee costs	2,307,101	3,169,956
	<u>2,307,101</u>	<u>3,169,956</u>

## 12. INTEREST RECEIVED

	2018	2017
Interest revenue		
Banks	14,612	549
	<u>14,612</u>	<u>549</u>

### 13. CASH (USED IN) GENERATED FROM OPERATIONS

	2018	2017
Deficit for the year	(283,136)	(338,646)
<b>Adjustments for:</b>		
Interest received	(14,612)	(549)
Depreciation	27,293	36,507
Movement in foreign currency translation reserve and prior year adjustments	(72,115)	(35,639)
Loss on sale of asset		2,695
<b>Changes in working capital:</b>		
Trade and other receivables	(27,377)	353,214
Trade and other payables	15,636	(169,176)
Deferred income	(138,748)	66,667
	<u>(493,059)</u>	<u>(84,927)</u>

### 14. COMMITMENTS

	2018	2017
<b>Operating leases – as lessee (expense)</b>		
<b>Minimum lease payment due</b>		
- within one year	11,149	54,561
- in second to fifth year inclusive	1,109	1,194
	<u>12,258</u>	<u>55,755</u>

### 15. DIRECTORS' EMOLUMENTS

	2018		2017	
	Emoluments	Total	Emoluments	Total
For services as directors	<u>253,077</u>	<u>253,077</u>	<u>297,043</u>	<u>297,043</u>

### 16. CONTINGENCIES

During the current financial year, the South African Revenue Services performed a VAT audit on various VAT submissions of North Star Alliance Southern Africa (Non Profit Company). This has resulted in additional assessments being raised. Various objections have been submitted to the South African Revenue Services and this process is still underway.

## Detailed Statement of Comprehensive Income<sup>2</sup>

	Note	2018	2017
<b>REVENUE</b>			
Donations		3,435,589	5,478,779
<b>OTHER INCOME</b>			
Other income		14,003	54,288
Interest received	12	14,612	549
		<b>28,615</b>	<b>54,837</b>
<b>OPERATING EXPENSES</b>			
Employee costs		2,307,101	3,169,956
Establishment costs		8,118	87,021
Finance, legal, administration		320,429	330,670
Integrated computer technology		73,681	84,146
Marketing, communications, fundraising		23,712	20,491
Prevention		-	2,813
Research		9,041	-
Running costs		857,107	2,006,679
Travel costs		148,151	170,486
		<b>3,747,340</b>	<b>5,872,262</b>
<b>Deficit for the year</b>		<b>(283,136)</b>	<b>(338,646)</b>

<sup>2</sup> The supplementary information presented does not form part of the combined annual financial statements and is unaudited.