

# Annual Accounts 2019

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  
Eva Mwai  
Michael Becker

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)

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<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 71 of 2008, 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 represent the state of affairs of the organisation as of the financial year end, and that the results of its operations and cash flows for the said period, conform 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 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 and controlled environment. To enable the directors to meet these responsibilities, the Board sets the standards for internal control, which are 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 to ensure the organisation's business is conducted in a manner that is above reproach, within all reasonable circumstances. The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. Whilst 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.

Based on the information and explanations given by management, the directors are of the opinion that the system of internal control provides reasonable assurance that the financial records may be relied upon, 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.

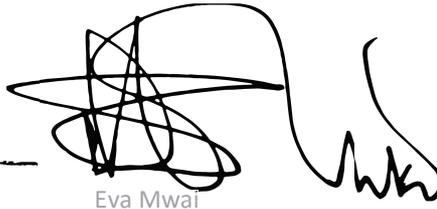
The directors have reviewed the organisation's cash flow forecast for the year to 31 December 2020, and in the light of this review and the current financial position, they are satisfied that the organisation has access to adequate resources to continue its operations for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the organisation's Combined Annual Financial Statements, which have been examined by the organisation's external auditors and presented in their report on pages 6 - 7.

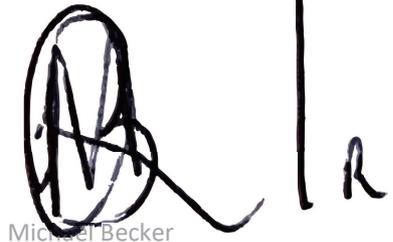
The Combined Annual Financial Statements set out on pages 8 to 23, which have been prepared on the going concern basis, were approved by the Board on 30 June 2020 and were signed on their behalf by:



Ylse van der Schööt  
*Executive Director*



Eva Mwai  
*Regional Director East  
Africa*



Michael Becker  
*Interim Regional Director  
Southern Africa*

30 June 2020



## Independent Auditors' Report

### Opinion

We have audited the Combined Annual Financial Statements of North Star Alliance set out on pages 12 to 22, which comprise the Statement of Financial Position as at 31 December 2019, 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 2019, 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.

### 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.

### Other information

The directors are responsible for the other information. The other information comprises the Directors' Report, Directors' Commentary as well as the Detailed Statement of Comprehensive Income, which we obtained prior to the date of this report. Other information does not include the Combined Annual Financial Statements and our auditors' report thereon.

Our opinion on the Combined Annual Financial Statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Combined Annual Financial Statements, we have read the other information and, in doing so, considered whether the other information is materially inconsistent with the Combined Annual Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we will report that fact. We have nothing to report in this regard.

### 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 71 of 2008, 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

### Chartered Accountants and Registered Auditors (PR No. 952451)

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Tel 011 622 0926

Directors: • Robert Borrill • Roy Macpherson • Mauritz Jankowitz • Pieter Steyn  
• Christopher Botha • Ashen Gunasee • Professor Mafela • Erika Botha



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*

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

Per: R.A. Macpherson  
Director

30 June 2020



## Directors' Report

The directors submit their report for the year ended 31 December 2019.

### 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. Stitching 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

Subsequent to 31 December 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organisation. The situation is dynamic with various cities and countries responding in different ways to address the outbreak.

The focus of management has been shifted to assure that our colleagues in Africa can secure continuity of care for our clients in the clinics, while protecting themselves and our clients from being infected. All colleagues have been working from home since the lockdown. Fundraising efforts have been intensified to assure that additional costs, mainly foreseen in Africa, can be covered. Several funders have already approved additional funding, donated equipment in-kind, or allowed the rearrangement of budgets for ongoing projects.

The impact of COVID-19 on the organisation is considered to be a post balance sheet that has no impact on the results at 31 December 2019. No adjustments have been made in the financial results due to the COVID-19 impact.

The directors are not aware of any other 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 €7,271 (2018: €23,873).

#### 5. DIRECTORS

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

Name	Nationality
Y. C. van der Schoot	Dutch
E.W. Mwai	Kenyan
M. Becker	South African

#### 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 pleased to present our 2019 audited financial statements. These accounts provide a comprehensive overview of the areas in which North Star Alliance has been investing its resources during the year. In addition, it also reflects our continued commitment towards achieving the key outcomes and deliverables outlined in our 2017-2020 Strategic Outlook, particularly those set out across the five key objectives highlighted in our 2019 targets.

Throughout the year we've made significant strides on the implementation of our matrix management model, which is now accelerating our institutional growth, whilst enhancing our governance and strengthening leadership and team engagement across the organisation. Our matrix structure is built on an organisation wide model, to facilitate smart scaling, as well as quality improvement, monitoring, evaluation and research activities on a cross regional, country and clinic level. In addition, the finance and HR matrix blocks were also established, with members now meeting regularly via conference calls or in person, to discuss, implement and review policies and procedures.

2019 was also a year in which we consolidated our efforts to further advance North Star's future sustainability, as we drove forward our plans and preparations for the opening of the revenue generation pilot project at our Cato Ridge clinic, which opened in March 2020. The revenue generation project is a significant component of our strategy to strengthen and enhance our longer-term sustainability, by diversifying our funding sources to reduce donor and subsidy dependence.

We have established several new partnerships across the year, the most notable of which was with Grand Challenges Canada, who'll be providing backing for two of our current flagship projects. Firstly, they will be supporting the roll out of our electronic medical records (EMR) system, across pilot sites in three countries. The second project, which commenced at the start of October, will be delivered over a 15 month period and will scale up our Crisis Response Team (CRT) programme in both our Southern and East African regions. In addition, the CRT programme will also receive additional backing from Aidsfonds, who've committed to supporting the project for a further five years, from the start of 2020.

We have also engaged and continued discussions with our long standing strategic partner the Southern African Development Community (SADC), with a view to further strengthen health systems across the region. Provided an agreement is reached, it's anticipated that North Star will resume the management and operations of 12 sites that we had previously established and handed over to the respective member states, which are now at risk of not fully transitioning into fully operational clinics. This in turn would re-establish our presence in four countries, Eswatini, Lesotho, Malawi and Zambia, whilst expanding existing operations in South Africa, Zimbabwe and Mozambique.

In June, the East African region secured a grant from the African Medical and Research Foundation (AMREF), which will be used for screenings and treatment of Tuberculosis (TB) in Mombasa, to help curb the spread of this highly infectious disease amongst mobile populations, especially truck drivers. It's estimated that 50% of those carrying TB in Kenya are unaware that they are infected and therefore this project aims to trace and treat this subset

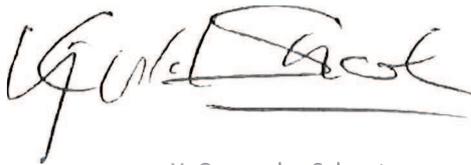
of the population. This is an exceptional opportunity for North Star to demonstrate our innovative and impactful approach in the fight against TB.

In preparation of the EMR roll out, we facilitated a data awareness training programme to help standardise our data operating procedures, as well as strengthen data awareness and processing proficiency amongst our staff, particularly frontline workers. The training was segmented into two tiers, the first of which was a four day session in July, involving 45 of our staff members, including all site coordinators and clinicians, together with representatives from our regional and international offices. This was followed up by a 'Train the Trainer' session for some of the tier one participants, who subsequently co-facilitated a series of three additional data awareness sessions for a further 49 clinic staff, from both our East and Southern African regions.

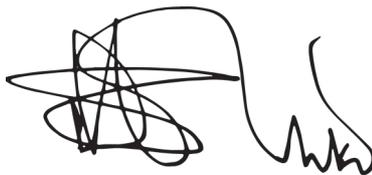
Having carried out a comprehensive gap analysis and finalised our requirements, we have now transitioned into the development phase of the EMR, ahead of the testing and rolling out of the system in 2020.

Based on current projections, we are anticipating that additional funding opportunities, particularly through the proposed agreement with SADC should it be confirmed, will provide further opportunity for North Star Alliance to continue a trajectory of growth. Our current outlook on the 2020 budget reveals a modest deficit, for which the unrestricted fund balance could be made available, but fundraising results will probably make up for this.

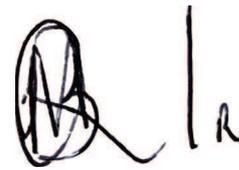
Looking ahead, we feel optimistic that we can continue to provide vital healthcare access to an even greater number of communities and marginalised populations across sub-Saharan Africa. We'd also very much like to take this opportunity to once again thank all our strategic partners for your role in supporting North Star's continued development, which has enabled us to make substantial progress, as outlined in these statements.



Y. C. van der Schoot



E.W. Mwai



M. Becker

30 June 2020

## Statement of Financial Position as at 31 December 2019 (in Euro)

(after appropriation of income and expenditure)

<b>ASSETS</b>	Note	<u>2019</u>	<u>2018</u>
<b>Non-current assets</b>			
Property, Plant and Equipment	2	<u>30,790</u>	<u>48,506</u>
<b>Current assets</b>			
Trade and other receivables	3	253,149	305,499
Cash and cash equivalents	4	<u>1,446,110</u>	<u>1,104,316</u>
		<b><u>1,699,259</u></b>	<b><u>1,409,815</u></b>
<b>TOTAL ASSETS</b>		<b><u>1,730,049</u></b>	<b><u>1,458,321</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Restricted funds	5	313,252	7,163
Unrestricted funds	6	1,019,820	1,082,375
Continuity reserve		250,000	250,000
Foreign currency translation reserve	7	<u>(168,028)</u>	<u>(199,649)</u>
		<u>1,415,044</u>	<u>1,139,889</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Deferred Income	8	105,285	27,919
Trade and other payables	9	<u>209,720</u>	<u>290,513</u>
		<b><u>315,005</u></b>	<b><u>318,432</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>1,730,049</u></b>	<b><u>1,458,321</u></b>

## Statement of Comprehensive Income for the year ended 31 December 2019 (in Euro)

	Note	2019	2018
Donations	10	2,770,352	3,435,589
Other Income		15,232	14,003
Operating expenses		<u>(2,564,862)</u>	<u>(3,747,340)</u>
<b>Operating surplus (deficit)</b>	11	<b>220,722</b>	<b>(297,748)</b>
Interest received	12	<u>22,812</u>	<u>14,612</u>
<b>Surplus (deficit) for the year</b>		<b>243,534</b>	<b>(283,136)</b>
Allocation of surplus (deficit):			
Addition (deduction) to/(from) restricted funds		306,089	(240,947)
Deduction from unrestricted funds		<u>(62,555)</u>	<u>(42,189)</u>
<b>Total comprehensive surplus (deficit) for the year</b>		<b><u>243,534</u></b>	<b><u>(283,136)</u></b>

## Statement of Changes in Equity for the year ended 31 December 2019 (in Euro)

	Foreign currency translation reserve	Continuity reserve	Restricted funds	Total reserves	Unrestricted funds	Total equity
<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 1 January 2019</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>
Total surplus for the year	-	-	306,089	306,089	(62,555)	243,534
Movement in reserve	31,621	-	-	31,621	-	31,621
Total changes	31,621	-	306,089	337,710	(62,555)	1,415,044
<b>Balance at 31 December 2019</b>	<b>(168,028)</b>	<b>250,000</b>	<b>313,252</b>	<b>395,224</b>	<b>1,019,820</b>	<b>1,415,044</b>

## Statement of Cash Flows for the year ended 31 December 2019 (in Euro)

	Note	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Funds received from donors		2,921,817	3,408,212
Cash paid to suppliers and employees		<u>(2,603,820)</u>	<u>(3,901,271)</u>
Cash generated from operations	13	317,996	(493,059)
Interest income		<u>22,812</u>	<u>14,612</u>
Net cash from operating activities		<u><u>340,808</u></u>	<u><u>(478,447)</u></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	2	(7,271)	(23,873)
Sale of property, plant and equipment		<u>8,257</u>	<u>-</u>
Net cash from investing activities		<u><u>986</u></u>	<u><u>(23,873)</u></u>
Total cash movement for the year		341,794	(502,320)
Cash at the beginning of the year		<u>1,104,316</u>	<u>1,606,636</u>
Total cash at end of the year	4	<u><u>1,446,110</u></u>	<u><u>1,104,316</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 donation confirmation 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 Euros.
- 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

	2019			2018		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fittings	21,737	20,938	799	20,911	18,928	1,983
Passenger motor vehicles	18,344	11,847	6,497	35,242	19,360	15,882
Office equipment	30,025	27,873	2,152	28,829	25,752	3,077
Computer equipment	112,441	91,098	21,342	104,431	76,867	27,564
<b>Total</b>	<b>182,547</b>	<b>151,757</b>	<b>30,790</b>	<b>189,413</b>	<b>140,907</b>	<b>48,506</b>

#### Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Disposals	Depreciation	Exchange rate diff.	Total
Furniture and fittings	1,983			(1,215)	31	799
Passenger motor vehicles	15,882		(5,818)	(4,047)	480	6,497
Office equipment	3,077	824		(1,769)	20	2,152
Computer equipment	27,564	6,447		(12,907)	238	21,342
	<b>48,506</b>	<b>7,271</b>	<b>(5,818)</b>	<b>(19,938)</b>	<b>769</b>	<b>30,790</b>

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

	Opening balance	Additions	Prior year adjustments	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>(27,293)</b>	<b>(1,291)</b>	<b>48,506</b>

### 3. TRADE AND OTHER RECEIVABLES

	2019	2018
Donations and other receivables	253,149	305,499

### 4. CASH AND CASH EQUIVALENTS

	2019	2018
Cash and cash equivalents consist of:		
Bank balances and small amounts of cash	1,446,110	1,104,316

An amount of € 6,781 (2018: € 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

	2019	2018
Chevron (for South Africa)	10,909	6,839
Aids Fonds (for Southern Africa)	14,520	45,139
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)	98,655	84,268
Data Project (for the Netherlands)	49,318	-
Johnson & Johnson Corporate (for Southern Africa)	4,809	-
Grand Challenges Canada (for East Africa)	97,585	-
FHI 360 (for East Africa)	6,369	-
Pepfar (for Southern Africa)	12,726	-
SOA Aids (for East Africa)	-	61,562
Other (Translation difference on previous restricted funds)	18,361	12,593
London School of Hygiene and Tropical Medicine (for East Africa)	-	13,828
<b>Total restricted funds</b>	<b>313,252</b>	<b>7,163</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

	2019	2018
Balance at start of the year	1,082,375	1,124,564
Deficit for the year	(62,555)	(42,189)
<b>Balance at year end</b>	<b>1,019,820</b>	<b>1,082,375</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.

	2019	2018
Opening balance	(199,649)	(126,244)
Movement for the year	31,621	(73,405)
	<u>(168,028)</u>	<u>(199,649)</u>

## 8. DEFERRED INCOME

	2019	2018
-		
Johnson & Johnson Corporate Citizenship Trust	44,376	-
The King Baudouin Foundation United States, Inc	60,909	27,919
	<u>105,285</u>	<u>27,919</u>

## 9. TRADE AND OTHER PAYABLES

	2019	2018
Trade payables	103,934	195,379
Accruals	105,786	95,134
	<u>209,720</u>	<u>290,513</u>

## 10. DONATIONS

	2019	2018
Governments	579,092	641,923
Corporations	1,305,858	1,143,494
Other foundations	158,861	103,372
NGO's	726,541	1,546,800
	<u>2,770,352</u>	<u>3,435,589</u>

## 11. OPERATING SURPLUS (DEFICIT)

Operating surplus (deficit) for the year is stated after accounting for the following:

	2019	2018
Operating lease charges		
Premises		
- Contractual amounts	46,619	69,404
	<u>46,619</u>	<u>69,404</u>
Loss (profit) on exchange differences	2,725	(39,737)
Auditors' remuneration - current year	23,674	26,545
Auditors' remuneration - other services	18,252	3,360
Depreciation on property, plant and equipment	19,938	27,293
Employee costs	1,483,813	2,307,101
	<u>1,544,302</u>	<u>2,584,566</u>

## 12. INTEREST RECEIVED

	2019	2018
Interest revenue		
Banks	22,812	14,612
	<u>22,812</u>	<u>14,612</u>

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

	2019	2018
Surplus (deficit)	243,534	(283,136)
<b>Adjustments for:</b>		
Interest received	(22,812)	(14,612)
Depreciation	19,938	27,293
Movement in foreign currency translation reserve and prior year adjustments	30,852	(72,115)
Profit on disposal of asset	(2,439)	-
<b>Changes in working capital:</b>		
Trade and other receivables	52,350	(27,377)
Trade and other payables	(80,793)	15,636
Deferred income	77,366	(138,748)
	317,996	(493,059)

### 14. COMMITMENTS

	2019	2018
<b>Operating leases – as lessee (expense)</b>		
<b>Minimum lease payment due</b>		
- within one year	6,835	11,149
- in second to fifth year inclusive	-	1,109
	6,835	12,258

### 15. DIRECTORS' EMOLUMENTS

	2019		2018	
	Emoluments	Total	Emoluments	Total
For services as directors	204,780	204,780	253,077	253,077

### 16. CONTINGENCIES

During the prior 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 resulted in additional assessments being raised. Various objections have been submitted to the South African Revenue Services and this process is still underway.

### 17. EVENTS AFTER THE REPORTING PERIOD

Subsequent to 31 December 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organisation. The situation is dynamic with various cities and countries responding in different ways to address the outbreak.

The focus of management has been shifted to assure that our colleagues in Africa can secure continuity of care for our clients in the clinics, while protecting themselves and our clients from being infected. All colleagues have been working from home since the lockdown. Fundraising efforts have been intensified to assure that additional costs, mainly foreseen in Africa, can be covered. Several funders have already approved additional funding, donated equipment in-kind, or allowed rearranging budgets of ongoing projects.

The impact of COVID-19 impact on the organisation is considered to be a post balance sheet that has no impact on the results at 31 December 2019. No adjustments have been made in the financial results due to the COVID-19 impact.

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

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

	Note	2019	2018
<b>REVENUE</b>			
Donations		2,770,352	3,435,589
<b>OTHER INCOME</b>			
Other income		15,232	14,003
Interest received	12	22,812	14,612
		<b>38,044</b>	<b>28,615</b>
<b>OPERATING EXPENSES</b>			
Employee costs		1,483,813	2,307,101
Establishment costs		10,791	8,118
Finance, legal, administration		134,308	320,429
Integrated computer technology		65,631	73,681
Marketing, communications, fundraising		4,012	23,712
Research		11,919	9,041
Running costs		677,546	857,107
Training and prevention		64,593	-
Travel costs		112,249	148,151
		<b>2,564,862</b>	<b>3,747,340</b>
<b>Surplus (deficit) for the year</b>		<b>243,534</b>	<b>(283,136)</b>

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