

**AFRICAN POPULATION AND HEALTH RESEARCH CENTER (APHRC)  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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## **ORGANIZATION INFORMATION**

### **REGISTERED OFFICE / PRINCIPAL PLACE OF BUSINESS**

APHRC Campus  
Manga Close, off Kirawa Road  
P.O. Box 10787-00100  
Nairobi — Kenya

### **INDEPENDENT AUDITOR**

PricewaterhouseCoopers LLP  
Certified Public Accountants  
PwC Towers  
Waiyaki Way / Chiromo Road, Westlands  
P.O Box 43693 - 00100  
Nairobi — Kenya

### **PRINCIPAL BANKERS**

UBS Financial Services Inc.  
1285 Ave of the Americas  
New York, NY 10019 - USA

Stanbic Bank Ltd  
Stanbic Centre  
P.O. Box 72833-00200  
Nairobi – Kenya

Ecobank Kenya  
Ecobank Towers Branch  
P.O. Box 48022-00100  
Nairobi - Kenya

Equity Bank Limited  
Gigiri Supreme Centre  
Gigiri Square, UN Avenue  
P.O. Box 101739 - 00100  
Nairobi – Kenya

Ecobank Nigeria  
67, Yakubu Gowon Crescent  
Asokoro District - Abuja - Nigeria

I & M Bank Kenya  
P.O. Box 30238 – 00100  
Nairobi – Kenya

Bank of America 345,  
Park Avenue NY5-125-01-01  
New York, NY 10154

Ecobank Senegal,  
Avenue Cheikh,  
P.O Box 9095,  
Senegal- Dakar

**ORGANIZATION INFORMATION (CONTINUED)**

**LEGAL ADVISERS**

Mboya Wangong'u and Waiyaki  
Lex Chambers, Maji Mazuri Road  
Off James Gichuru Road, Lavington  
P.O. Box 74041 – 00200  
Nairobi - Kenya

Njoroge Regeru and Company Advocates  
Arbor House, Arboretum Drive  
Off Bishop Road  
P.O. Box 46971-00100  
Nairobi - Kenya

## DIRECTORS REPORT

The directors submit their report together with the audited financial statements for the year ended 31 December 2019, which disclose the state of affairs of African Population and Health Research Center (APHRC).

## PRINCIPAL ACTIVITIES AND MISSION

APHRC is committed to conducting high quality, policy relevant research on population and health related issues facing sub-Saharan Africa. APHRC's mission is to generate evidence, strengthen research capacity and engage policy to inform action on population health and well-being in Africa.

## RESULTS

The surplus for the year of USD 138,752 (2018: USD 1,224,079) has been added to the general fund.

## DIRECTORS

The directors who held office during the year and to the date of this report were:

Tamara Fox	Chairperson of the Board
Catherine Kyobutungi	Executive Director
Patricia Vaughan	Member
Timothy Stiles	Member (Chairperson, Finance and Risk Management)
James Ole Kiyiapi	Member
Nalinee Sangrujee	Member
Bunmi Makinwa	Member
Bright Simons	Member
Ole Petter Ottersen	Member
Ruth Levine	Member (w.e.f 1 January 2020)
Dan Laster	Member (w.e.f 1 January 2020)
Nancy Birdsall	Member (Rotated out on 13 November 2019)

## AUDITOR

PricewaterhouseCoopers LLP, have expressed willingness to continue in office.

By order of the Board

*Timothy A A Stiles*

Tim Stiles  
Chairperson, Finance and Risk Management

*Catherine Kyobutungi*

Catherine Kyobutungi  
Executive Director

30/4/ 2020

## **EXECUTIVE DIRECTOR'S REPORT**

In 2019, we continued to implement our three core programs of research, research capacity strengthening and, policy engagement and communications. This being the third year of implementing our 2017-2021 strategic plan, we continued making great strides in rolling out the signature issue approach articulated in the plan. Our regionalization strategy saw the launch of our West Africa Regional Office (WARO) in Dakar, Senegal. The launch was graced by the APHRC's Board, representatives from the Senegalese government, APHRC partners and friends in the region. Under the leadership of the Regional Director, the office anchored APHRC's partner projects in West Africa such as the Countdown to 2030 Regional Initiative, Improving Girls Education, and the Immunization Advocacy Initiative.

On November 11, one year after breaking ground for the APHRC Training Center, we launched Ulwazi Place. H.E, the Deputy Vice President, Honourable William Ruto, graced the occasion and unveiled the facility. In his remarks, he applauded APHRC for the achievement noting that "the training facility will contribute to ensuring that more Africans get high-quality research training that will ultimately uplift other Africans through innovations and policy impact." On the same day, the Center hosted three other major events. First, a symposium on cancer research, prevention, and control in Kenya was held at our Campus and attended by over 80 researchers drawn from many institutions with interest in the issue. The symposium aimed at advancing the role of research in informing cancer-related policies and interventions across the country. Secondly, there was a high-level policy dialogue on gaps in actions for cancer prevention and control in Kenya attended by private and public sector representatives. Lastly, with partners, we hosted 200 young activists from around the world for an advocacy skills-building workshop on the side lines of the ICPD+25 meeting.

APHRC continued on its growth trajectory, recording 13% growth in income and 21% in expenditure. The growth arose mainly from larger grant budgets in 2019 with US\$ 24m being available for project implementation compared to US\$ 20m in 2018. The higher growth in expenditure compared to income is mainly attributed to initial operational costs of Ulwazi Place, the establishments costs of our West African regional office in Senegal and depreciation costs arising from our recently revalued Campus property in addition to the just concluded training facility.

In the month of May 2019, we officially launched a culture shift program with the purpose of creating awareness among staff and motivate them to be active participants in the intended shift. The initiative aims to impact positive change in how staff achieve work-life balance, listen and share their feedback, and demonstrate excellence and commitment in their work. Three teams guided the implementation process supported by members of staff who through consultations made the program both collaborative and impactful. We also implemented the financial management aspect of a new Enterprise Resource Planning solution in 2019 and are at final stages of implementing the remaining ones.

Our regular staff number grew by 26% from 135 at the end of 2018 to 170 at the end of 2019 compared to a 5% growth in the previous year. The staff came from 11 African countries and four non-African countries. For the third year running, there were more female than male staff with the proportion increasing again by one percentage point to 55%. We completed the implementation of the recommendations of a job evaluation exercise that was approved by the Board in November 2018 which resulted in better rationalization of positions and guided the placement of staff in their jobs. We conducted a staff benefits survey to provide direction on benefits structure and ensure that APHRC is able to attract, retain and motivate its staff within a competitive environment, while ensuring cost efficiency and fairness. In addition, we developed a safeguarding policy which aims to provide guidance on the procedures and practices to be adhered to by all APHRC representatives in safeguarding people as well as what is to happen in case of violation.

**EXECUTIVE DIRECTOR'S REPORT (CONTINUED)**

APHRC continued with its corporate social responsibility in 2019 through the school feeding program, school renovation project, the provision of computers for use in poor community schools and emergency support following a fire incident in our study communities of Korogocho and Viwandani in Nairobi. This was made possible by corporate support and contributions from staff and philanthropic organizations.

We have come this far due to the unwavering support of our funders and partners, the hard work by all staff and our Board members' commitment and dedication. We hope that you will continue to support us as we strive to transform lives in Africa through research.

Catherine Kyobutungi

Catherine Kyobutungi  
Executive Director

30/4/ 2020

## STATEMENT OF DIRECTORS' RESPONSIBILITY

The directors of APHRC are required to prepare financial statements for each financial year which give a true and fair view of the financial position of APHRC at the end of the financial year and its financial performance for the year then ended.

The directors of APHRC are responsible for ensuring that APHRC keeps proper accounting records that are sufficient to show and explain the transactions of APHRC; disclose with reasonable accuracy at any time the financial position of APHRC; and that enables them to prepare financial statements of APHRC that comply with prescribed financial reporting. They are also responsible for safeguarding the assets of API-IRC and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors accept responsibility for the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards. They also accept responsibility for:

- I. Designing, implementing and maintaining internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error;
- II. Selecting suitable accounting policies and then apply them consistently; and
- III. Making judgements and accounting estimates that are reasonable in the circumstances

Having made an assessment of APHRC's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon APHRC's ability to continue as a going concern.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the Board of Directors on 30/4/ 2020 and signed on its behalf by:

Timothy A A Stiles

Tim Stiles

Chairperson, Finance and Risk Management

Catherine Kyobutungi

Catherine Kyobutungi

Executive Director



**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF AFRICAN POPULATION AND HEALTH RESEARCH CENTER (APHRC) ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

**Report on the audit of the financial statements**

***Our opinion***

We have audited the accompanying financial statements of African Population and Health Research Center (APHRC) set out on pages 10 to 37 which comprise the statement of financial position at 31 December 2019 and the statements of comprehensive income, changes in fund balance and cash flows for the year then ended and the notes to the financial statements, which include a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of APHRC at 31 December 2019, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

***Basis for opinion***

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of APHRC in accordance with the International Ethics Standards Board for Accountants (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (the IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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

***Other information***

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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*With effect from 11 December 2019, PricewaterhouseCoopers, a partnership carrying on business under registration number BN.287839 was converted to PricewaterhouseCoopers LLP (LLP-2Y1AB7), a limited liability partnership under the Limited Liability Partnerships Act, 2011.*

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P O Box 43963 – 00100 Nairobi, Kenya  
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**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF AFRICAN POPULATION AND HEALTH RESEARCH CENTER (APHRC) ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**

***Responsibilities of directors for the financial statements***

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing APHRC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate APHRC or to cease operations, or have no realistic alternative but to do so.

***Auditor's responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 ISAs 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 APHRC'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 management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on APHRC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause APHRC to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF AFRICAN POPULATION AND HEALTH RESEARCH CENTER (APHRC) ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**

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.

*PricewaterhouseCoopers LLP*

**Certified Public Accountants  
Nairobi**

12 May 2020

**CPA Stephen Ochieng' Norbert's, Practising Number P/1819  
Signing partner responsible for the independent audit**

**Statement of comprehensive income**

	Notes	Restricted Income 2019 USD	Unrestricted Income 2019 USD	Total 2019 USD	Total 2018 USD
<b>INCOME</b>					
Grant income	5	14,264,182	3,107,497	17,371,679	15,251,044
Other income	6	-	1,012,067	1,012,067	950,847
<b>Total income</b>		<b>14,264,182</b>	<b>4,119,564</b>	<b>18,383,746</b>	<b>16,201,891</b>
<b>EXPENSES</b>					
Direct programme expenses	7	14,264,182	1,008,292	15,272,474	12,890,493
Administration & support costs	8	-	3,149,305	3,149,305	2,285,900
<b>Total expenses</b>		<b>14,264,182</b>	<b>4,157,597</b>	<b>18,421,779</b>	<b>15,176,393</b>
Net operating income		-	(38,033)	(38,033)	1,025,498
Finance income	13	-	176,785	176,785	198,581
<b>Surplus for the year</b>		<b>-</b>	<b>138,752</b>	<b>138,752</b>	<b>1,224,079</b>
Other comprehensive income, net of tax		-	-	-	-
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>138,752</b>	<b>138,752</b>	<b>1,224,079</b>

The notes on pages 14 to 37 are an integral part of these financial statements.

**Statement of financial position**

	Notes	As at 31 December	
		2019 USD	2018 USD
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	9	13,146,771	8,569,330
Intangible assets	10	147,955	1,616
		13,294,726	8,570,946
<b>Current assets</b>			
Cash and bank balances	13	13,030,647	11,395,452
Debtors and deposits	12	1,029,593	909,303
Grant receivable	11	1,464,832	1,449,341
		15,525,072	13,754,096
<b>TOTAL ASSETS</b>		<b>28,819,798</b>	<b>22,325,042</b>
<b>FUND BALANCE AND LIABILITIES</b>			
Fund balance		14,394,430	11,559,767
<b>Non - current liabilities</b>			
Development bank loan	16	1,250,000	-
<b>Current liabilities</b>			
Deferred grants	11	11,802,200	9,880,712
Creditors and accruals	14	1,373,168	884,563
		14,425,368	10,765,275
<b>TOTAL FUND BALANCES AND LIABILITIES</b>		<b>28,819,798</b>	<b>22,325,042</b>

The notes on pages 14 to 37 are an integral part of these financial statements.

The financial statements on pages 10 to 37 were approved for issue by the Board of Directors on

30/4/ 2020 and signed on its behalf by:

Timothy A A Stiles

Tim Stiles  
 Chairperson, Finance and Risk Management

Catherine Kyobutungi

Catherine Kyobutungi  
 Executive Director

**Statement of changes in fund balance**

	<b>Accumulated fund USD</b>	<b>Revaluation reserve USD</b>	<b>Total USD</b>
<b>Year ended 31 December 2018</b>			
At start of year	7,846,840	2,488,848	10,335,688
Transfer of revaluation depreciation	32,489	(32,489)	-
Surplus for the year	1,224,079	-	1,224,079
	<hr/>	<hr/>	<hr/>
At end of year	<b>9,103,408</b>	<b>2,456,359</b>	<b>11,559,767</b>
	<hr/>	<hr/>	<hr/>
<b>Year ended 31 December 2019</b>			
At start of year	9,103,408	2,456,359	11,559,767
Revaluation gain on land	-	1,428,007	1,428,007
Revaluation gain on buildings	-	1,267,904	1,267,904
Transfer of revaluation depreciation	90,291	(90,291)	-
Surplus for the year	138,752	-	138,752
	<hr/>	<hr/>	<hr/>
At end of year	<b>9,332,451</b>	<b>5,061,079</b>	<b>14,394,430</b>
	<hr/>	<hr/>	<hr/>

The notes on pages 14 to 37 are an integral part of these financial statements.

## Statement of cash flows

	Notes	Year ended 31 December	
		2019 USD	2018 USD
<b>Cash flows from operating activities</b>			
Surplus for the year		138,752	1,224,079
Adjustment for:			
Depreciation	9	399,769	256,401
Amortisation charge	10	75,592	1,617
Gain on disposal	6	(18,657)	(36,972)
		<b>595,456</b>	<b>1,445,125</b>
<b>Movement in working capital</b>			
(Increase) in debtors and deposits		(120,290)	(328,701)
(Increase) in grants receivable		(15,490)	(275,460)
Increase in deferred grants		1,921,488	1,686,717
(Decrease)/increase in creditors and accruals		488,605	(169,669)
		<b>2,869,769</b>	<b>2,358,012</b>
<b>Cash flow from investing activities</b>			
Loan draw down		1,250,000	-
Proceeds from sale of property and equipment		18,657	36,972
Purchase of property & equipment	9	(2,281,300)	(240,784)
Purchase of intangible assets	10	(221,931)	-
		<b>(1,234,574)</b>	<b>(203,812)</b>
<b>Net movement in cash and cash equivalents</b>			
		1,635,195	2,154,200
Cash and cash equivalents at beginning of year		11,395,452	9,241,252
		<b>13,030,647</b>	<b>11,395,452</b>

The notes on pages 14 to 37 are an integral part of these financial statements.

## Notes

### 1 General Information

African Population and Health Research Center (APHRC or the “organization”) is registered in Kenya under section 366 of the Companies Act (Cap 486) as a branch of African Population and Health Research Center Inc., a company incorporated in the United States of America as a not-for-profit corporation. APHRC is also registered in Senegal as a Non – Government Organization under registration certificate No.15204. The address of its registered offices is indicated on page 1 of these financial statements.

### 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (a) Basis of preparation

The financial statements of APHRC have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) applicable to organizations reporting under IFRS. The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below. The financial statements are presented in United States Dollars (USD).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

#### Changes in accounting policy and disclosures

##### *(i) New standards, amendments and interpretations adopted by the Organization*

The following standards and amendments have been applied by the company for the first time for the financial year beginning 1 January 2019:

IFRS 16: Leases was issued in January 2016. The standard results in almost all leases being recognized on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short term and low value leases. The accounting for lessors will not significantly change.

The standard is mandatory for financial years commencing on or after 1 January 2019. The organization adopted the standard during the year commencing 1 January 2019.

APHRC is a lessee to the Government of Kenya in relation to the leasehold land. The leasehold land has been recognized on the balance sheet as a finance lease. There are no operating leases that would be affected by IFRS 16. Adoption of the standard is not anticipated to have a material impact on APHRC’s financial statements.

Other standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2019 are not material to APHRC.

**Notes (Continued)**

**2 Summary of significant accounting policies (continued)**

**(a) Basis of preparation (continued)**

**Changes in accounting policy and disclosures (continued)**

*(ii) New standards and interpretations that are not yet effective and have not been early adopted*

There are no other IFRSs or IFRIC interpretations not yet effective that would be expected to have a material impact on APHRC's financial statements.

## **Notes (Continued)**

### **2 Summary of significant accounting policies (continued)**

#### **(b) Revenue recognition**

The organization recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the organization's activities as described below. The organization bases its estimates on historical results, taking into consideration the type of donor, the type of transaction and the specifics of each arrangement.

Revenue is recognized as follows:

##### **(i) Donor/ grant income**

Restricted income is recognized when expenditure is incurred and when grant conditions are fulfilled. Grant receivable represent the amount the organization claims from donors on expenses incurred and accounted for on behalf of the donors.

Grants received in advance are treated as deferred grants. They are credited to the income and expenditure statement when activities for which they are provided for have been undertaken.

Unrestricted income is recognized on receipt.

##### **(ii) Rental/service charge income**

Rental/service charge income is recognized as it accrues.

##### **(iii) Interest income**

Interest income is recognized using the effective interest method.

#### **(c) Foreign currency translation**

##### **(i) Functional and presentation currency**

Items included in the financial statements of the organization are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United States Dollars ("USD") which is the organization's functional currency.

##### **(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency of the respective entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Foreign exchange gains and losses that relate to cash and cash equivalents are presented in profit or loss within 'finance income or cost'. All other foreign gains and losses are presented in profit or loss within 'other income' or 'other expenses'.

## Notes (continued)

### 2 Summary of significant accounting policies (continued)

#### (d) Property and equipment

##### (i) Land and buildings

Land and buildings are initially recorded at cost. Subsequently, they are shown at fair value, based on valuations by external independent valuers, less subsequent depreciation for buildings. Land and buildings are revalued by independent professional valuers after every 3 years or whenever their carrying amounts are likely to differ materially from their revalued amounts. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Increases in the carrying amount arising on revaluation are credited to a revaluation reserve in the fund balance through the statement of other comprehensive income. Decreases that offset previous increases of the same asset are charged against the revaluation reserve; all other decreases are charged to profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to profit or loss) and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

##### (ii) Other property and equipment

Other property and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the organization and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings and borehole	2.5%
Motor vehicles	25%
Furniture and fittings	12.5%
Equipment and tools	20%
Computer equipment and software	33.3%

Leasehold land is depreciated over the remaining period of the lease. Freehold land is not depreciated.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Gains and losses on disposal of property and equipment are determined by reference to their carrying amounts and are taken into account in determining operating surplus. When revalued assets are sold, the amounts included in the revaluation reserve relating to that asset are transferred to the general fund.

## Notes (continued)

### 2 Summary of significant accounting policies (continued)

#### (e) Intangible assets

Costs associated with maintaining computer software programmes are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the organization are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Computer software development costs recognized as assets are amortized over their estimated useful lives, which does not exceed three years.

Acquired computer software licences are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized on the basis of the expected useful lives. Software has a maximum expected useful life of three years.

#### (f) Leases

Assets and liabilities arising from all leases will be charged to the balance sheet by the lessee. A lessee measures lease liability at the present value of future lease payments. The lease asset is measured initially at the same amount as lease liabilities, and also includes costs directly related to entering into the lease. Lease assets are amortized in a similar way to other assets such as property, plant and equipment.

For the lessor, the leased asset is reported as an asset; revenue and depreciation (with regards to the asset) are reported under the statement of comprehensive income.

#### (g) Financial assets

##### (i) Classification

All financial assets of the organization are classified as loans and receivables, based on the purpose for which the financial assets were acquired. The directors determine the classification of the financial assets at initial recognition.

##### (ii) Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the organization commits to purchase or sell the asset. Receivables are subsequently carried at amortized cost using the effective interest method.

## **Notes (continued)**

### **2 Summary of significant accounting policies (continued)**

#### **(g) Financial assets (continued)**

##### **(iii) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

##### **(iv) Impairment**

The organization assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in surplus or deficit. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in surplus or deficit.

#### **(h) Receivables**

Receivables are recognized initially at their nominal value. They are subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the organization will not be able to collect all amounts due according to the original terms of the receivables.

#### **(i) Cash and cash equivalents**

Cash and cash equivalents comprise cash-in-hand, bank balances and short-term liquid investments which are readily convertible into known amounts of cash. For purposes of the statement of cash flows, cash and cash equivalents comprise of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

## **Notes continued)**

### **2 Summary of significant accounting policies (continued)**

#### **(j) Employee benefits**

##### *Retirement benefit obligations*

APHRC operates a defined contribution scheme for eligible employees to which the employer contributes 10% and the employee's contribution is optional. The assets of the scheme are held in separate trustee administered funds and managed by Britam Limited and GA Insurance Limited for locally administered funds and Utmost Worldwide Pension Fund and Investors Trust for internationally administered funds. Contributions are determined by the rules of the scheme. APHRC also contributes to the statutory defined contribution pension scheme, the National Social Security Fund (NSSF).

A defined contribution plan is a pension plan under which the organization pays fixed contributions into a separate entity. The organization has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The organization's contributions to the defined contribution schemes are recognized as an employee benefit expense when they fall due. The organization has no further payment obligations once the contributions have been paid.

#### **(k) Payables**

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

#### **(l) Provisions**

Provisions are recognized when: the organization has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

#### **(m) Comparatives**

Where necessary, comparative information has been adjusted to conform to changes in presentation in the current year.

### **3 Critical accounting estimates and judgments**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

#### **(i) Critical accounting estimates and assumptions**

The organization makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

## Notes (continued)

### 3 Critical accounting estimates and judgments (continued)

#### (i) Critical accounting estimates and assumptions (continued)

##### Valuation of land and buildings

The carrying value of the land and buildings will be determined by a valuation by an independent professional valuer using a number of assumptions. Any changes in these assumptions will impact the carrying value of the land in the statement of financial position. The accounting treatment is detailed under the accounting policy Note 2 (d).

### 4 Financial risk management objectives and policies

The organization's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The organization's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance. The organization does not hedge any of its risk exposures.

Financial risk management is carried out by the finance department under guidance of the Board of Directors.

##### Market risk

#### (i) Foreign exchange risk

The organization receives grants and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Kenya Shilling (KES), Great Britain Pound (GBP), Euro, Naira and West African CFA franc (CFA). Foreign exchange risk arises from future commercial transactions, and recognized assets and liabilities.

Management's policy to manage foreign exchange risk is to hold foreign currency bank accounts which act as a natural hedge, maintain funds in the operating currency (USD) and negotiate for funding in USD.

The table below summarises the effect on surplus had the USD weakened/strengthened by 10% (2018:10%) against each of the currencies held, with all variables held constant.

<b>Year 2019</b>	<b>KES</b>	<b>Euro</b>	<b>GBP</b>	<b>Naira</b>	<b>CFA</b>
USD effect on 10% increase surplus/ (deficit)	32,141	6,562	15,716	534	14,953
USD effect on 10% decrease surplus/ (deficit)	(32,141)	(6,562)	(15,716)	(534)	(14,953)
<b>Year 2018</b>	<b>KES</b>	<b>Euro</b>	<b>GBP</b>	<b>Naira</b>	<b>CFA</b>
USD effect on 10% increase surplus/ (deficit)	57,396	8,226	20,981	338	-
USD effect on 10% decrease surplus/ (deficit)	(57,396)	(8,226)	(20,981)	(338)	-

**Notes (continued)**

**4 Financial risk management objectives and policies (continued)**

Market risk (continued)

(ii) Price risk

The organization does not hold any financial instrument subject to price risk.

(iii) Cash flow and fair value interest rate risk.

The organization does not hold any financial instrument subject to cash flow and fair value interest rate risks.

Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions as well as credit exposures to customers, including outstanding receivables and committed transactions. Management is responsible for managing and analysing credit risk for each new donor and partner before standard payment and implementation terms are offered. The organization does not have any significant concentrations of credit risk.

For banks and financial institutions, only reputable well established financial institutions are accepted. For receivables, the senior accountants assesses the credit quality of the donors/partners, taking into account its financial position, past experience and other factors. The organization does not grade the credit quality of receivables. Individual risk limits are set based on internal ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

The amount that best represents the organization's maximum exposure to credit risk at 31 December 2019 is made up as follows:

	Fully performing <b>2019</b> <b>USD</b>	Past due <b>2019</b> <b>USD</b>	Impaired <b>2019</b> <b>USD</b>
Cash and cash equivalents	13,030,066	-	-
Debtors and prepayments	1,029,593	-	-
Grants receivable	1,464,832	101,910	-
	<b>15,524,491</b>	<b>101,910</b>	<b>-</b>
	Fully performing <b>2018</b> <b>USD</b>	Past due <b>2018</b> <b>USD</b>	Impaired <b>2018</b> <b>USD</b>
Cash and cash equivalents	11,395,452	-	-
Debtors and prepayments	903,303	-	-
Grants receivable	1,449,341	53,182	20,897
	<b>13,748,096</b>	<b>53,182</b>	<b>20,897</b>

**Notes (continued)**

**4 Financial risk management objectives and policies (continued)**

Credit risk (continued)

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

Liquidity risk

Liquidity risk is the risk that the organization will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management includes maintaining sufficient cash balances, and the availability of funding from an adequate amount of committed credit facilities.

Management perform cash flow forecasting and monitor rolling forecasts of the organization's liquidity requirements to ensure it has sufficient cash to meet its operational needs.

The organization's approach when managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the organization's reputation. The organization relies on grants to fund working capital requirements.

The table below analyses the organization's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows.

	<b>Less than 1 year USD</b>	<b>Between 1 and 2 years USD</b>	<b>Between 2 and 5 years USD</b>	<b>Over 5 years USD</b>
<b>At 31 December 2019</b>				
Payables	1,373,168	-	-	-
Deferred income	11,802,200	-	-	-
Bank development loan	-	-	1,250,000	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 December 2018</b>				
Payables	884,563	-	-	-
Deferred income	9,880,712	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

Capital risk management

The organization's objectives when managing capital is to safeguard the organization's ability to continue as a going concern.

The organization places emphasis on proper planning during the annual budget preparation process, cash flow monitoring and monthly tracking of actual operating results against budget.

**Notes (continued)**

**5 Grant income**

	<b>2019 USD</b>	<b>2018 USD</b>
Restricted income	14,264,182	12,544,097
<b>Unrestricted income</b>		
Hewlett Foundation	850,000	875,000
Packard Foundation	250,000	-
Overhead recoveries	2,007,497	1,831,947
Sub-total	3,107,497	2,706,947
<b>Total</b>	<b>17,371,679</b>	<b>15,251,044</b>

**6 Other income**

Training income	47,613	31,642
Miscellaneous income	398,335	315,984
Gain on disposal of fixed asset	18,656	36,972
APHRC campus rental income	447,890	463,504
Service charge income	99,573	102,745
<b>Total</b>	<b>1,012,067</b>	<b>950,847</b>

**7 Direct programme expenses**

	<b>Restricted 2019 USD</b>	<b>Unrestricted 2019 USD</b>	<b>Total 2019 USD</b>	<b>Total 2018 USD</b>
Field assistants and consultants	1,727,005	150,121	1,877,126	1,566,680
Program staff salaries and benefits	5,131,569	598,285	5,729,854	4,398,981
Public relations and advertising	4,154	8,561	12,715	3,564
Computers and other equipment	5,533	-	5,533	50,955
Seminars and workshops	1,794,692	54,612	1,849,304	2,133,597
Fellowships	2,808,645	23,262	2,831,907	2,042,521
Travel costs	680,238	24,729	704,967	634,601
Training	118,148	17,332	135,480	201,071
Printing and stationery	74,795	22,315	97,110	50,406
Recruitment	1,363	-	1,363	957
Sub grants	1,352,782	-	1,352,782	1,195,785
Publications	9,101	18,266	27,367	81,886
Field office supplies	290,580	9,882	300,462	347,041
Motor vehicle expenses	18,116	3,187	21,303	21,636
Communications and postage	25,434	3,670	29,104	41,236
Field office rent & expenses	1,639	21,472	23,111	21,256
Community development	9,917	26,194	36,111	8,406
Other program costs	210,471	26,404	236,875	89,914
<b>Total</b>	<b>14,264,182</b>	<b>1,008,292</b>	<b>15,272,474</b>	<b>12,890,493</b>

**Notes (continued)**

**8 Administration and support costs**

	<b>2019</b>	<b>2018</b>
	<b>USD</b>	<b>USD</b>
Travel costs and allowances	30,217	16,192
Board costs	138,202	103,903
Staff salaries and benefits	1,161,384	941,260
Other overhead costs	34,159	60,935
Professional fees	61,910	32,923
Office rent	20,117	-
Stationery and office supplies	230,299	135,757
Communication and postage	49,680	59,918
Motor vehicle running	23,301	17,578
Staff development	124,905	142,327
Recruitment expenses	33,285	32,051
Insurance	13,267	9,284
Equipment	185,963	61,344
Fundraising costs	11,143	33,323
Depreciation	399,769	256,401
Amortization	75,592	1,617
Exchange loss	75,316	18,714
APHRC campus development	41,063	106,166
APHRC guest house operational costs	113,063	-
Provision for bad debts	101,910	53,182
Service charge expenses (i)	224,760	203,025
	<hr/>	<hr/>
<b>Total</b>	<b>3,149,305</b>	<b>2,285,900</b>
	<hr/>	<hr/>

**8(i) Service charge expenses**

	<b>2019</b>	<b>2018</b>
	<b>USD</b>	<b>USD</b>
Staff costs	25,899	25,945
Security	79,296	78,861
Office cleaning & maintenance	64,747	54,389
Fuel	4,446	3,959
Electricity	14,359	8,959
Office supplies	18,997	15,488
Insurance	5,628	5,713
Water	8,553	7,011
Audit fees	2,835	2,700
	<hr/>	<hr/>
<b>Total</b>	<b>224,760</b>	<b>203,025</b>
	<hr/>	<hr/>

**Notes (continued)**  
**9 Property and equipment**

	Freehold land	Lease hold land	Building	Computers	Motor vehicles	Furniture and fittings	Equipment and tools	Work In Progress (WIP)	Total
	USD	USD	USD	USD	USD	USD	USD	USD	USD
Cost/valuation									
<b>At 1 January 2019</b>	146,229	3,655,683	5,849,093	121,721	249,243	68,067	227,456	165,201	10,482,693
WIP movement to buildings	-	-	165,201	-	-	-	-	(165,201)	-
Additions	-	-	2,223,856	18,635	34,500	-	4,309	-	2,281,300
Disposals	-	-	-	-	(49,714)	-	-	-	(49,714)
Revaluation	51,126	1,376,880	1,267,904	-	-	-	-	-	2,695,910
<b>At 31 December 2019</b>	<b>197,355</b>	<b>5,032,563</b>	<b>9,506,054</b>	<b>140,356</b>	<b>234,029</b>	<b>68,067</b>	<b>231,765</b>	<b>-</b>	<b>15,410,189</b>
<b>Depreciation</b>									
At 1 January 2019	-	180,965	1,142,664	107,999	194,201	60,078	227,456	-	1,913,363
Disposal	-	-	-	-	(49,714)	-	-	-	(49,714)
Charge for the year	-	59,620	282,056	13,073	36,168	7,989	863	-	399,769
<b>At 31 December 2019</b>	<b>-</b>	<b>240,585</b>	<b>1,424,720</b>	<b>121,072</b>	<b>180,655</b>	<b>68,067</b>	<b>228,319</b>	<b>-</b>	<b>2,263,418</b>
Net book amount	197,355	4,791,978	8,081,334	19,284	53,374	-	3,446	-	13,146,771

Freehold land (LR 2951/471), leasehold land (LR 2951/581 and LR 2951/615), APHRC campus building and training center (Ulwazi place) were last valued by a professional valuer in the year ended 31 December 2019 respectively on an open market basis. Land is included in level 3 of the fair valuation hierarchy (that is, the fair value is based on unobservable inputs). Using the cost model the following would be the carrying amounts of the revalued property:

	Free hold land	Leasehold land	Building
	USD	USD	USD
Net book amount at 31 December 2019	67,156	1,132,763	6,695,956
Net book amount at 31 December 2018	67,156	1,145,137	4,546,360

**Notes (continued)**

**9. Property and equipment (continued)**

	<b>Freehold land USD</b>	<b>Lease hold land USD</b>	<b>Building USD</b>	<b>Computers USD</b>	<b>Motor vehicles USD</b>	<b>Furniture and fittings USD</b>	<b>Equipment and tools USD</b>	<b>Work In Progress USD</b>	<b>Total USD</b>
Cost/valuation									
<b>At 1 January 2018</b>	146,229	3,655,683	5,849,093	101,138	270,100	59,425	236,098	-	10,317,766
Additions	-	-	-	20,583	55,000	8,642	-	165,201	249,426
Disposals	-	-	-	-	(75,857)	-	(8,642)	-	(84,499)
<b>At 31 December 2018</b>	<b>146,229</b>	<b>3,655,683</b>	<b>5,849,093</b>	<b>121,721</b>	<b>249,243</b>	<b>68,067</b>	<b>227,456</b>	<b>165,201</b>	<b>10,482,693</b>
<b>Depreciation</b>									
At 1 January 2018	-	139,876	975,547	101,138	242,515	52,090	221,653	-	1,732,819
Disposal	-	-	-	-	(75,857)	-	-	-	(75,857)
Charge for the year	-	41,089	167,117	6,861	27,543	7,988	5,803	-	256,401
<b>At 31 December 2018</b>	<b>-</b>	<b>180,965</b>	<b>1,142,664</b>	<b>107,999</b>	<b>194,201</b>	<b>60,078</b>	<b>227,456</b>	<b>-</b>	<b>1,913,363</b>
<b>Net book amount</b>	<b>146,229</b>	<b>3,474,718</b>	<b>4,706,429</b>	<b>13,722</b>	<b>55,042</b>	<b>7,989</b>	<b>-</b>	<b>165,201</b>	<b>8,569,330</b>

**Notes (continued)**

**10 Intangible assets**

	<b>2019 USD</b>	<b>2018 USD</b>
<b>Cost</b>		
At start of year	179,804	233,052
Additions	221,931	-
Disposals/write-offs	-	(53,248)
	<hr/>	<hr/>
At end of year	401,735	179,804
	<hr/>	<hr/>
<b>Amortisation</b>		
At start of year	178,188	229,819
Amortisation for the period	75,592	1,617
Disposals/write-offs	-	(53,248)
	<hr/>	<hr/>
At end of year	253,780	178,188
	<hr/>	<hr/>
<b>Net book value</b>	<b>147,955</b>	<b>1,616</b>
	<hr/>	<hr/>

**Notes (continued)**

**11 Grant receivable/Deferred grants**

Donor	Grant Receivable December 2018	Deferred Income December 2018	Receipts 2019	Income 2019	Grant Receivable December 2019	Deferred Income December 2019
	USD	USD	USD	USD	USD	USD
Africa Academy of Science - Deltas CPE	-	-	22,491	-	-	22,491
Amsterdam Institute for Global Health and Development - DigitalRevolution and UHC(i-PUSH)	-	-	75,397	136,443	61,046	-
Amsterdam Institute for Global Health and - JL Chair 4	-	-	-	113,966	113,966	-
African Medical and Research Foundation Health Africa, USA-RegDialogue+Youth Bootcamp	-	-	99,554	99,554	-	-
Africa Research Excellence Fund - EXCELL	324	-	9,003	5,396	-	3,282
Avanti - iMlango Ext Evaluation Svs	214,213	-	153,159	40,858	101,912	-
British Academy - Baby Friendly (BFCI)	158,614	-	270,508	111,894	-	-
Brown University (BIARI) - CARTA Support	-	11,293	-	-	-	11,293
Carnegie Corporation of New York - CARTA 4	-	179,320	1,201,900	941,789	-	439,431
CHCB - Mobile Technology PPP for vaccines Uganda	-	-	19,778	17,024	-	2,754
County Innovation Challenge Fund - Afya Kwa Ukoo	31,732	-	182,499	150,767	-	-
County Innovation Challenge Fund - MNCH Services	-	7	(7)	-	-	-
Children's Investment Fund Foundation - 8th African Population Conference	-	-	25,000	42,492	17,492	-
Children's Investment Fund Foundation - Measurement and ImpactEvaluations	-	-	200,000	39	-	199,961
Children's Investment Fund Foundation - In Their Hands Evaluation	-	13,786	137,617	106,613	-	44,790
Children's Investment Fund Foundation - SAFIRE Evaluation	-	728,458	-	202,901	-	525,557
Children's Investment Fund Foundation - Tayari Project	1	-	145	-	-	146
Columbia University - Global Gag Rule	55,012	-	83,203	82,889	54,697	-
Comic Relief - PAMANECH II	10,836	-	314,550	186,081	-	117,633
Deutscher Akademischer Austausch Dienst (DAAD) CARTA	-	48,305	48,143	72,484	-	23,964

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Donor	Grant Receivable December 2018	Deferred Income December 2018	Receipts 2019	Income 2019	Grant Receivable December 2019	Deferred Income December 2019
	USD	USD	USD	USD	USD	USD
Department for International Development - Population Council	-	-	-	-	-	-
Department for International Development/Pop Council - AGIARP	-	24,902	29,938	78,550	23,711	-
Echidna Giving - GrOW follow-up study	-	-	160,000	104,081	-	55,919
Echidna Giving - IGE - West Africa	-	-	160,000	83,331	-	76,669
Elma Foundation - ECD Evaluation	115,398	-	74,994	102,883	143,287	-
Episcopal Relief & Development - Parenting Empowerment/ECD RP	4,643	-	122,146	101,488	-	16,015
Economic & Social Research Council - Interventions for Older People	5,651	-	5,651	-	-	-
Forum for African Women Educationalists - CSE	-	9,635	-	8,881	-	754
Fidelity Charitable Trust - A LOT-Change II	-	25,270	194	-	-	25,464
Fidelity Charitable Trust – A LOT CHANGE III	-	-	300,000	222,275	-	77,725
Fidelity Charitable Trust - RELI II	-	34,949	100,000	134,947	-	2
Fidelity Charitable Trust - UEG III (Urban Education III)	-	-	410,000	10,759	-	399,241
Fidelity Charitable Trust - RELI III	-	-	799,994	622,544	-	177,450
Fidelity Charitable Trust - Urban Education 2	-	235,398	704	236,102	-	0
Ford Foundation - LGBTQ Research in Sub Sahara Africa	-	107,868	45,000	143,480	-	9,388
Ford Foundation - YSRHR Review Consultancy	3,445	-	3,445	-	-	-
Gates Foundation - Fecal waste Management	-	415,902	613,170	414,857	-	614,214
Gates Foundation - GIS for Reducing Inequities	-	-	100,000	1,214	-	98,786
Gates Foundation - Immunization	-	2,372,791	1,026,518	1,295,523	-	2,103,786
Gates Foundation - Sema Mama Teen	-	75,593	772	76,365	-	0
Gates Foundation - Administering Birth Dose Vaccines	-	71,053	-	71,052	-	0
Gates Foundation - CD to 2030: Strengthening Global	-	-	969,135	7	-	969,128
Gates Foundation - Strengthening Institutional Res. Capacity	-	-	413,787	6,486	-	407,301
Global Challenges Research Fund - Adolescent Hub	-	-	-	36,141	36,141	-
Global Challenges Research Fund - MAM	2,928	-	25,516	22,588	-	-
Global Challenges Research -York Univ. - AIR Network	8,873	-	9,895	1,022	-	-
Grand Challenges Canada - Saving Brains	-	76,409	21,384	116,515	18,722	-
Gutmacher- Communication Consultancy	19,973	-	19,973	-	-	-

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Donor	Grant Receivable December 2018	Deferred Income December 2018	Receipts 2019	Income 2019	Grant Receivable December 2019	Deferred Income December 2019
	USD	USD	USD	USD	USD	USD
Harvard Business School - Public Engagement	-	5,237	894	6,131	-	-
Heinrich Boll (HBS) - Right to Food II	-	-	11,087	18,426	7,338	-
Hewlett Foundation - Measurement and Impact Evaluations	-	-	200,000	18,163	-	181,837
Hewlett Foundation - Quality Post Abortion Care Services	-	334,864	-	318,758	-	16,106
Hewlett Foundation - Use of County Data Systems in Kenya	-	-	540,000	47,794	-	492,206
Hewlett Foundation - Org Effectiveness 2018/20	-	73,771	9,384	83,155	-	0
Hivos - Kigali UHC Conference	-	-	69,988	90,179	20,191	-
International Association for Gerontology & Geriatrics – Africa Regional Secretariat Policy & Cap Strength	-	31,556	-	11,479	-	20,077
ICRW -Transforming Access to Contraception	66,517	-	66,517	-	-	-
International Development Research Centre - ADDRF III	-	80,727	-	-	-	80,727
International Development Research Centre - ADDRF IV	-	287,995	-	154,819	-	133,175
International Development Research Centre - Cost of Eating Healthy Maternal, Newborn & CH	-	-	159,074	11,375	-	147,699
International Development Research Centre - HPRO - Moving Gender Socialization	-	162,356	69,455	279,251	47,440	-
International Development Research Centre - Gender Socialization VYA in Schools & SRH	-	40,192	55,111	64,381	-	30,921
International Food Policy Research Institute - Market to mouth infant food contamination	-	-	-	21,514	21,514	-
International Institute of Environment & Development-Towards Inclusive Health System	4,590	-	59,176	54,586	-	-
Indepth - H3Africa (Awi Gen) II	14,070	-	42,681	15,868	-	12,744
IPAS - PMAC	12,158	-	33,697	21,539	-	-
IPAS Guttmacher Gynuity - ADDRF	-	25,530	-	8,710	-	16,819
IPAS - Assessment Prov Medical Abortion Kenya	6,998	-	9,746	4,791	2,043	-
IRC-Violence Against Women & Girls	-	62,127	7,279	69,407	-	-
John Hopkins University - Health Facility Data Analyses	-	-	10,345	14,609	4,264	-
Kenya Medical Research Institute - HDSS Data Access	-	19,374	50	19,425	-	-
Kenya Medical Research Institute - Parental Skills Training	20,977	-	33,869	12,892	-	-

African Population and Health Research Center (APHRC)  
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Donor	Grant Receivable December 2018	Deferred Income December 2018	Receipts 2019	Income 2019	Grant Receivable December 2019	Deferred Income December 2019
	USD	USD	USD	USD	USD	USD
Liverpool School of Tropical Medicine - ARISE Hub			25,330	75,496	50,166	-
Loughborough University - NINO LIP	-	19,403	48,571	67,974	-	-
London School of Hygiene & Tropical Medicine - Verbal Autopsy	-	-	39,689	39,690	-	-
London School of Hygiene & Tropical Medicine - Evaluation of Dreams	-	181,603	-	279,308	97,705	-
London School of Hygiene & Tropical Medicine - Understanding NCDs & Role of Infection	16,882	-	20,031	3,149	-	-
London School of Hygiene & Tropical Medicine - RCS Evaluation	1,385	-	53,917	53,353	822	-
LUND_MAK - Social Innovation for Postgraduate Training	-	-	12,985	8,145	-	4,839
MasterCard Foundation (SSRC) - Learning Facilitation Plan	-	146,579	199,994	144,527	-	202,047
MGSOG - Linking Social Protection for Productivity	19,186	-	36,494	17,307	-	-
Marie Stopes Kenya - Gates Calculus Sex Evaluation Project	2,403	-	139,286	129,060	-	7,823
Network of African Science Academies - LIRA Study			49,050	1,380	-	47,670
National Institutes of Health/Univ. of California - D43 IDEA-BERC	58	-	37,757	38,569	871	-
National Institutes of Health Research-Global Health-Improving Health in Slums	97,591	-	335,594	282,398	44,395	-
Packard Foundation - Demographic Dividend	-	170,452	(191)	170,261	-	-
Packard Foundation - Leadership Coaching & Cultural Shift	-	5,767	2,680	8,448	-	-
Palladium Group - Measure Evaluation Phase II	17,289	-	236,463	219,174	-	-
Palladium Group - OVC DQA	-	130,720	-	130,721	1	-
PATH International - ECD	34,829	-	-	(34,829)	-	-
PATH International - ECD II	-	-	21,493	97,188	75,695	-
PATH International - HMB II	33,551	-	51,673	18,122	1	-
PATH International - HMB III			-	46,839	46,839	-
Pathfinder International – PHE (ADDRF) Fellowships	1,131	-	1,131	-	-	-
Porticus Organization - Youth Core Values & Capabilities Assessment	-	221,242	1,567	222,809	-	-
RTI International - Program for Resilient Systems (PROGRESS)	-	-	-	6,481	6,481	-
Stockholm Environment Institute -Towards Healthy Communities	-	142	1,914	2,055	-	-

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Donor	Grant Receivable December 2018	Deferred Income December 2018	Receipts 2019	Income 2019	Grant Receivable December 2019	Deferred Income December 2019
	USD	USD	USD	USD	USD	USD
Swedish International Development Cooperation Agency (CPSE) Challenging Politics Social Exclusion	-	1,026,045	1,400,273	759,075	-	1,667,243
Swedish International Development Cooperation Agency - CARTA	-	1,101,138	1,565,291	1,843,769	-	822,659
Stichting PharmAccess International - Ngao ya Afya	31,465	-	95,657	92,208	28,016	-
The Royal Society - FLAIR Fellowship	-	-	162,108	120,934	-	41,175
University College London - CUSSH Enrichment	-	-	-	820	820	-
UK Medical Research Council - Food Choices	128,564	-	194,908	66,344	-	-
Uppsala Monitoring Centre - CARTA	39,372	-	50,000	39,986	29,358	-
United Nations Children's Fund USA - Female Headed Household Study	-	-	-	28,283	28,283	-
United Nations Children's Fund - ICCM- MAM	29,047	-	190,349	182,371	21,068	-
United Nations Children's Fund – USA - Dissemination of Countdown 2030	-	56,599	119,531	176,130	-	-
University of Ghana - IDRC - Food EPI Ghana	-	-	-	2,171	2,171	-
University of Manitoba - Countdown 2030 ASRHR	-	-	98,865	58,966	-	39,899
University of Queensland - K NAMHS Nat Adolescents Mental	-	-	479,988	99,060	-	380,928
University of Southampton - Social Pension Impact	51,942	-	103,828	51,886	-	-
University of Warwick - mConsulting	-	-	-	8,605	8,605	-
University of Columbia - Later Life Generativity	-	9,355	38	9,393	-	-
University of Ghana (NMIMR) - CEBioGen CE	-	-	9,504	5,418	-	4,086
University of Manitoba - Countdown	-	81,480	277,083	209,195	-	149,367
UNU - WFP Nutrition Evaluation	-	-	123,494	181,775	58,286	-
URC - Urban Nutrition	2,873	-	34,983	49,752	17,643	-
Wellcome Trust - CARTA	-	101,272	(9)	101,263	-	-
Wellcome Trust - CUSSH	-	4,479	27,423	166,982	135,081	-
World Health Organization - Abortion Safety Pilot Study	-	-	-	2,098	2,098	-
World Health Organization - Countdown 2030 for West and Central Africa	-	-	181,653	181,654	-	-
World Health Organization - Research & Knowledge Transfer Hub	-	173,724	253,231	177,980	-	248,975

African Population and Health Research Center (APHRC)  
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<b>Donor</b>	<b>Grant Receivable December 2018</b>	<b>Deferred Income December 2018</b>	<b>Receipts 2019</b>	<b>Income 2019</b>	<b>Grant Receivable December 2019</b>	<b>Deferred Income December 2019</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
World Health Organization - Countdown 2030 Facility Data Analysis Workshop	88,644	-	122,796	34,155	-	-
Whole New World Foundation - Data For Life	33,208	-	33,208	-	-	-
Wits HC - Priceless SA	-	-	8,382	8,382	-	-
Wellcome Trust - Deltas Africa	-	896,044	1,647,428	1,913,442	-	630,034
Wellcome Trust - Public Engagement Fellowships	116,150	-	-	122,423	238,573	-
Bad Debt Provision	(53,182)	-	-	-	(101,910)	-
<b>Total</b>	<b>1,449,341</b>	<b>9,880,712</b>	<b>18,128,949</b>	<b>16,271,678</b>	<b>1,464,832</b>	<b>11,802,200</b>

**Notes (continued)**

**12 Debtors and deposits**

	<b>2019 USD</b>	<b>2018 USD</b>
Staff debtors	152,175	64,038
Staff debtors – Senegal office	2,268	-
Other debtors	500,430	451,714
Prepayments	346,247	383,430
Prepayments – Senegal office	11,996	-
Utilities and other deposits	16,477	10,121
	<hr/>	<hr/>
<b>Total</b>	<b>1,029,593</b>	<b>909,303</b>
	<hr/>	<hr/>

The carrying amounts of the above debtors and receivables approximate their fair values.

**13 Cash and cash equivalents**

Cash and cash equivalents included in the statement of cash flows comprise the following  
 Statement of financial position amounts:

	<b>2019 USD</b>	<b>2018 USD</b>
Cash at bank	7,848,208	4,221,713
Cash at bank – Senegal office	149,531	-
Cash on hand	581	316
Fixed deposits	5,032,327	7,173,423
	<hr/>	<hr/>
<b>Total</b>	<b>13,030,647</b>	<b>11,395,452</b>
	<hr/>	<hr/>

The carrying amounts of APHRC's cash and cash equivalents are denominated in the following  
 currencies:

	<b>2019 USD</b>	<b>2018 USD</b>
Kenya Shillings	356,234	573,959
US Dollar	12,296,759	10,526,050
Euro	65,619	82,260
GBP	157,162	209,807
Naira	5,342	3,376
CFA	149,531	-
	<hr/>	<hr/>
<b>Total</b>	<b>13,030,647</b>	<b>11,395,452</b>
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APHRC holds fixed deposits at EcoBank Kenya, Stanbic Bank and I&M Bank. Interest income for the year was USD 176,785 (USD 198,581: 2018)

**Notes (continued)**

**14 Creditors and accruals**

	<b>2019 USD</b>	<b>2018 USD</b>
Trade creditors	135,248	17,008
Trade creditors – Senegal office	9,522	-
Suppliers accruals	594,532	399,161
Staff accruals	452,554	342,504
Staff accruals – Senegal office	6,372	-
Due to staff	172,738	119,476
Withholding tax	2,202	6,414
	<hr/>	<hr/>
<b>Total</b>	<b>1,373,168</b>	<b>884,563</b>
	<hr/>	<hr/>

**15 Related party transactions**

Key management compensation

Key management are senior management. The compensation paid/payable to key management for employee services is shown below:

	<b>2019 USD</b>	<b>2018 USD</b>
Salaries	1,873,862	1,576,187
Short-term employment benefits	581,449	631,318
	<hr/>	<hr/>
<b>At end of year</b>	<b>2,455,311</b>	<b>2,207,505</b>
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The directors are not compensated for their services as directors. Board expenses are disclosed under Note 8.

Transfers to Senegal Office

	<b>2019 USD</b>	<b>2018 USD</b>
Transfers for programme and administration expenses	705,560	-
	<hr/>	<hr/>
<b>Total</b>	<b>705,560</b>	<b>-</b>
	<hr/>	<hr/>

**Notes (continued)**

**16 Development bank loan**

APHRC has a term loan with I&M bank with a limit of USD 1,250,000. The funds will be used to finance the development of a residential wing for their training program. The date of the loan draw-down was 30 December 2019. The Loan agreement has a moratorium period on repayment of the principal amount of 12 months from the date of draw-down. The interest however shall be serviced regularly during the moratorium period and thereafter.

**17 Taxation**

No provision for corporate tax has been made in these financial statements. APHRC qualifies for exemption from corporation tax in Kenya under paragraph 10 of the 1st Schedule to the Income Tax Act, Cap. 470 of the Laws of Kenya. APHRC has an agreement with the Government of Kenya, exempting it from paying corporate taxes. APHRC is also VAT exempted.

APHRC enjoys tax exemption from the United States Internal Revenue Service under Section 501(c) 3 of the US tax code.

**18 Subsequent events**

As a result of the Covid19 situation, and beginning March 17, 2020, APHRC decided to take precautionary measures, including putting in place alternative working arrangements for its employees initially for a period of 60 days. During this time APHRC staff have continued to work full time, but from different locations.

APHRC management will be reviewing the plan on a regular basis to make any necessary adjustments. APHRC has been engaging donors and partners on the circumstances on the ground as well as making any necessary adjustments to work plans to enable implementation work to continue. APHRC has long term contracts with donors and fund reserves that will enable them to continue as a going concern in the foreseeable future.

**19 Currency**

These financial statements are presented in United States Dollars (USD).

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