

**AFRICAN POPULATION AND HEALTH RESEARCH CENTER (APHRC)  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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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  
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

**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 2018, 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 1,224,079 (2017: USD 487,155) 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
Nancy Birdsall	Member
Bunmi Makinwa	Member (W.E.F 1 January 2019)
Bright Simons	Member (W.E.F 1 January 2019)
Ole Petter Ottersen	Member (W.E.F 1 January 2019)
Tade Aina	Rotated out on 14 November 2018
Goran Bondjers	Rotated out on 14 November 2018
Akpan Ekpo	Rotated out on 14 November 2018

## AUDITOR

PricewaterhouseCoopers, have expressed willingness to continue in office.

By order of the Board



Chairperson, Finance and Risk Management



Executive Director

13 May 2019

## EXECUTIVE DIRECTOR'S REPORT

In 2018, we continued to implement our three core programs of research, research capacity strengthening and, policy engagement and communications. This being the second year of implementing our 2017-2021 strategic plan, we made some progress in rolling out the signature issue approach articulated in the plan. There was also greater progress in our regionalization strategy as we won grants for work in countries we have not worked in before and subsequently, implemented projects in 17 countries of sub-Saharan Africa. In the second quarter of the year, we registered our West Africa Regional office in Dakar, Senegal.

To support our ever growing capacity strengthening work, we broke ground for the APHRC Training Center in November, 2018. Since this happened towards the end of the year, expenditure in this area are reported as work in progress in these financial statements. We also finalized plans for the implementation of an Enterprise Resource Planning solution which we expect to roll out in 2019.

APHRC continued on its growth trajectory, recording 20% growth in income and 15% in expenditure. The growth arose from an increase in the number of new projects with more than 40 projects starting in 2018. Our success rate in dollar terms increased from 54% in 2017 to 63%. Some of the successful grants contributed to the 2018 income and hence close to half of the ongoing projects in 2018 started in the same year.

In 2018, our staff came from 11 African countries and four non-African countries. For the second year running, there were more female than male staff with the proportion increasing one percentage point to 54%. We completed the first job evaluation for the Center and also carried out comprehensive salary surveys that led to the approval of a new salary scale during the Board meeting in November 2018. The job evaluation has resulted in better rationalization of positions and will guide the placement of staff in job grades as well as the determination of the level of compensation based on the new salary scale.

As the Center has grown over the years, we appreciate that some of the drivers of our success in the past may not drive our success in the future. We began a cultural shift program that seeks to identify some of the good practices we should maintain and those we may need to change in order to deal with matters that may curtail our growth and/or threaten the Center's sustainability. By the end of 2018, we had identified two major areas that need to be changed and one that needs to be maintained. In 2019, we will continue with this process until its conclusion.

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.

  
\_\_\_\_\_  
Executive Director

13 May 2019

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

It is the responsibility of the directors 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 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 APHRC 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 the 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 13 May 2019 and signed on its behalf by:

  
\_\_\_\_\_  
Chairperson, Finance and Risk Management

  
\_\_\_\_\_  
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 2018**

**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 9 to 34 which comprise the statement of financial position at 31 December 2018 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 2018, 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' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our ethical responsibilities in accordance with these requirements and 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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**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 2018 (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 the 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 2018 (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*

**Certified Public Accountants  
Nairobi**

28 May 2019

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

**Statement of comprehensive income**

	Notes	Restricted Income 2018 USD	Unrestricted Income 2018 USD	Total 2018 USD	Total 2017 USD
<b>INCOME</b>					
Grant income	5	12,544,097	2,706,947	15,251,044	12,702,510
Other income	6	-	950,847	950,847	677,004
<b>Total income</b>		<b>12,544,097</b>	<b>3,657,794</b>	<b>16,201,891</b>	<b>13,379,514</b>
<b>EXPENSES</b>					
Direct programme expenses	7	12,544,097	346,396	12,890,493	11,207,042
Administration & support costs	8	-	2,285,900	2,285,900	1,880,747
<b>Total expenses</b>		<b>12,544,097</b>	<b>2,632,296</b>	<b>15,176,393</b>	<b>13,087,789</b>
Net operating income		-	1,025,498	1,025,498	291,725
Finance income	13	-	198,581	198,581	195,430
<b>Surplus for the year</b>		<b>-</b>	<b>1,224,079</b>	<b>1,224,079</b>	<b>487,155</b>
Other comprehensive income, net of tax		-	-	-	-
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>1,224,079</b>	<b>1,224,079</b>	<b>487,155</b>

The notes on pages 13 to 34 are an integral part of these financial statements.

**Statement of financial position**

	Notes	As at 31 December	
		2018 USD	2017 USD
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	9	8,569,330	8,584,947
Intangible asset	10	1,616	3,233
		<hr/>	<hr/>
		8,570,946	8,588,180
		<hr/>	<hr/>
<b>Current assets</b>			
Cash and bank balances	13	11,395,452	9,241,252
Debtors and deposits	12	909,303	580,602
Grant receivable	11	1,449,341	1,173,881
		<hr/>	<hr/>
		13,754,096	10,995,735
		<hr/>	<hr/>
<b>TOTAL ASSETS</b>		<b>22,325,042</b>	<b>19,583,915</b>
		<hr/>	<hr/>
<b>FUND BALANCE AND LIABILITIES</b>			
Fund balance		11,559,767	10,335,688
<b>Current liabilities</b>			
Deferred grants	11	9,880,712	8,193,995
Creditors and accruals	14	884,563	1,054,232
		<hr/>	<hr/>
		10,765,275	9,248,227
		<hr/>	<hr/>
<b>TOTAL FUND BALANCES AND LIABILITIES</b>		<b>22,325,042</b>	<b>19,583,915</b>
		<hr/>	<hr/>

The notes on pages 13 to 34 are an integral part of these financial statements.

The financial statements on pages 9 to 34 were approved for issue by the Board of Directors on

13 May 2019 and signed on its behalf by:



Chairperson, Finance and Risk Management



Executive Director

**Statement of changes in fund balance**

	Accumulated fund USD	Revaluation reserve USD	Total USD
<b>Year ended 31 December 2017</b>			
At start of year	7,327,196	2,521,337	9,848,533
Transfer of revaluation depreciation	32,489	(32,489)	-
Surplus for the year	487,155	-	487,155
	<hr/>	<hr/>	<hr/>
At end of year	<b>7,846,840</b>	<b>2,488,848</b>	<b>10,335,688</b>
	<hr/>	<hr/>	<hr/>
<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/>

The notes on pages 13 to 34 are an integral part of these financial statements.

**Statement of cash flows**

		<b>Year ended 31 March</b>	
	<b>Notes</b>	<b>2018 USD</b>	<b>2017 USD</b>
<b>Cash flows from operating activities</b>			
Surplus for the year		1,224,079	487,155
Adjustment for:			
Depreciation	9	256,401	265,877
Amortisation charge	10	1,617	1,617
Gain on disposal	6	(36,972)	(1,017)
Capital losses on the investments		-	4,052
		<b>1,445,125</b>	<b>757,684</b>
<b>Movement in working capital</b>			
Decrease/(increase) in debtors and deposits		(328,701)	(276,714)
Decrease/(increase) in grants receivable		(275,460)	100,431
(Decrease)/increase in deferred grants		1,686,717	(1,833,373)
(Decrease)/increase in creditors and accruals		(169,669)	(55,764)
		<b>2,358,012</b>	<b>(1,307,736)</b>
<b>Cash flow from investing activities</b>			
Proceeds from liquidation of investments		-	24,193
Proceeds from sale of property and equipment		36,972	1,017
Purchase of property & equipment		(240,784)	(4,850)
		<b>(203,812)</b>	<b>20,360</b>
<b>Net movement in cash and cash equivalents</b>		<b>2,154,200</b>	<b>(1,287,376)</b>
Cash and cash equivalents at beginning of year		9,241,252	10,528,628
<b>Cash and cash equivalents at end of year</b>	13	<b>11,395,452</b>	<b>9,241,252</b>

The notes on pages 13 to 34 are an integral part of these financial statements.

## Notes

### 1 General Information

African Population and Health Research Center (APHRC or the "organization") is registered 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. The address of its registered office 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 2018:

From 1 January 2018, to comply with IFRS 9, which replaced IAS 39, provision has been made for either 12-month or lifetime Expected Credit Losses (ECLs) for all financial assets measured at amortized cost. The directors have opted to apply the simplified approach for cash and bank, debtors and deposits and grant receivables whereby lifetime ECL are provided for from inception. The adoption of the standard had no material impact on APHRC's financial statements.

IFRS 15, 'Revenue from contracts with customers' Under IFRS 15, revenue from sale of goods is recognized when the customer obtains control of the goods. Revenue from sales of services is recognized over time provided the consumption of the service by the customer is simultaneous with the performance of the service by the organisation. APHRC's main source of income is grants from donors. Consequently, the impact of adoption of IFRS 15 will not 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 2018 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*

##### IFRS 16, 'Leases'

After ten years of joint drafting by the IASB, they decided that lessees should be required to recognize assets and liabilities arising from all leases (with limited exceptions) on the balance sheet. Lessor accounting has not substantially changed in the new standard. The model reflects that, at the start of a lease, the lessee obtains the right to use an asset for a period of time and has an obligation to pay for that right. In response to concerns expressed about the cost and complexity to apply the requirements to large volumes of small assets, the IASB decided not to require a lessee to recognize assets and liabilities for short-term leases (less than 12 months), and leases for which the underlying asset is of low value (such as laptops and office furniture).

A lessee measures lease liability at the present value of future lease payments. A lessee measures lease asset, 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.

This approach will result in a more faithful representation of a lessee's assets and liabilities and, together with enhanced disclosures, will provide greater transparency of a lessee's financial leverage and capital employed.

One of the implications of the new standard is that there will be a change to key financial ratios derived from a lessee's assets and liabilities (for example, leverage and performance ratios).

IFRS 16 supersedes IAS 17, 'Leases', IFRIC 4, 'Determining whether an Arrangement contains a Lease', SIC 15, 'Operating Leases – Incentives' and SIC 27, 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. The standard is effective for annual periods beginning 1 January 2019. Early adoption is permitted only if IFRS 15 is adopted at the same time.

APHRC is a lessee to the Government of Kenya in relation to leasehold land. Leasehold land has been recognised on the balance sheet as a finance lease. The organisation is a lessor in relation to the APHRC campus building, therefore the adoption of the standard is not anticipated to have a material impact on APHRC's financial statements.

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

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 capitalised 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 capitalised 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

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to surplus or deficit on a straight-line basis over the period of the lease. 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 realise 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 Ltd 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 minimise 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 and Naira. 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% (2017:10%) against each currencies held, with all variables held constant.

<b>Year 2018</b>	<b>KES</b>	<b>Euro</b>	<b>GBP</b>	<b>Naira</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)
<b>Year 2017</b>	<b>KES</b>	<b>Euro</b>	<b>GBP</b>	<b>Naira</b>
USD effect on 10% increase surplus/ (deficit)	25,862	3,529	49,181	247
USD effect on 10% decrease surplus/ (deficit)	(25,862)	(3,529)	(49,181)	(247)

**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 client before standard payment and delivery 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 accountant assesses the credit quality of the customer, 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 2018 is made up as follows:

	Fully performing 2018 USD	Past Due 2018 USD	Impaired 2018 USD
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>
	Fully performing 2017 USD	Past Due 2017 USD	Impaired 2017 USD
Cash and cash equivalents	9,241,252	-	-
Debtors and prepayments	580,602	-	-
Grants Receivable	1,173,881	20,897	-
	<b>10,995,735</b>	<b>20,897</b>	<b>-</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.

	Less than 1 year USD	Between 1 and 2 years USD	Between 2 and 5 years USD	Over 5 years USD
<b>At 31 December 2018</b>				
Payables	884,563	-	-	-
Deferred income	9,880,717	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 December 2017</b>				
Payables	1,054,229	-	-	-
Deferred income	8,193,995	-	-	-
	<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>2018 USD</b>	<b>2017 USD</b>
Restricted income	12,544,097	10,644,503
<b>Unrestricted income</b>		
Hewlett Foundation	875,000	600,000
Overhead recoveries	1,831,947	1,458,007
Sub-total	2,706,947	2,058,007
<b>Total</b>	<b>15,251,044</b>	<b>12,702,510</b>

**6 Other income**

Training income	31,642	39,465
Miscellaneous income	315,984	132,738
Gain/(loss) on disposal of fixed asset	36,972	(4,052)
APHRC campus rental income	463,504	423,288
Service charge income	102,745	85,565
<b>Total</b>	<b>950,847</b>	<b>677,004</b>

**7 Direct programme expenses**

	<b>Restricted 2018 USD</b>	<b>Unrestricted 2018 USD</b>	<b>Total 2018 USD</b>	<b>Total 2017 USD</b>
Field assistants and consultants	1,525,901	40,779	1,566,680	1,100,323
Program staff salaries and benefits	4,243,241	155,740	4,398,981	4,315,710
Public relations and advertising	3,389	175	3,564	5,613
Computers and other equipment	49,699	1,256	50,955	44,184
Seminars and workshops	2,107,418	26,179	2,133,597	1,845,775
Fellowships	2,032,529	9,992	2,042,521	2,101,368
Travel costs	625,352	9,249	634,601	359,663
Training	194,460	6,611	201,071	136,536
Printing and stationery	46,508	3,898	50,406	20,018
Recruitment	957	-	957	73,635
Sub grants	1,195,785	-	1,195,785	802,977
Publications, reprint and reports	22,196	59,690	81,886	38,773
Field office supplies	338,715	8,326	347,041	162,283
Motor vehicle expenses	19,189	2,447	21,636	24,860
Communications and postage	35,810	5,426	41,236	34,190
Field office rent & expenses	16,800	3,154	19,954	18,757
Equipment repairs and maintenance	1,295	7	1,302	36
Community development	5	8,401	8,406	16,777
Other program costs	84,848	5,066	89,914	84,667
Provision for grant receivable	-	-	-	20,897
<b>Total</b>	<b>12,544,097</b>	<b>346,396</b>	<b>12,890,493</b>	<b>11,207,042</b>

**Notes (continued)**

**8 Administration and support costs**

	<b>2018</b>	<b>2017</b>
	<b>USD</b>	<b>USD</b>
Travel costs and allowances	16,192	20,764
Board costs	103,903	75,994
Staff salaries and benefits	941,260	911,433
Other overhead costs	60,935	22,672
Professional fees	32,923	39,371
Stationery and office supplies	197,101	165,364
Communication and postage	59,918	32,896
Motor vehicle running	17,578	7,096
Staff development	142,327	65,145
Recruitment expenses	32,051	46,624
Insurance	9,284	9,747
Fundraising costs	33,323	23,048
Depreciation	256,401	265,877
Amortization	1,617	1,617
Exchange loss	18,714	-
APHRC campus improvements	106,166	-
Provision for bad debts	53,182	-
Service charge expenses – 8(i)	203,025	193,099
	<hr/>	<hr/>
<b>Total</b>	<b>2,285,900</b>	<b>1,880,747</b>
	<hr/>	<hr/>

**8(i) Service charge expenses**

	<b>2018</b>	<b>2017</b>
	<b>USD</b>	<b>USD</b>
Staff costs	25,945	24,074
Security	78,861	72,906
Office cleaning & maintenance	54,389	52,663
Fuel	3,959	2,866
Electricity	8,959	12,360
Office supplies	15,488	13,324
Insurance	5,713	5,598
Water	7,011	7,272
Audit fees	2,700	2,036
	<hr/>	<hr/>
<b>Total</b>	<b>203,025</b>	<b>193,099</b>
	<hr/>	<hr/>

**Notes (continued)**

**9 Property and equipment**

	Freehold land USD	Lease hold land USD	Building USD	Computers USD	Motor vehicles USD	Furniture and fittings USD	Equipment and tools USD	Work In Progress USD	Total USD
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>

Freehold land (LR 2951/471), leasehold land (LR 2951/581 and LR 2951/615) and APHRC campus building were last valued by a professional valuer in the year ended 31 December 2016 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 USD	Leasehold land USD	Building USD
Net book amount at 31 December 2018	67,156	1,145,137	4,546,360
Net book amount at 31 December 2017	67,516	1,157,512	4,830,508

Notes (continued)

9. Property and equipment (continued)

	Freehold land	Lease hold land	Building	Computers	Motor vehicles	Furniture and fittings	Equipment and tools	Total
	USD	USD	USD	USD	USD	USD	USD	USD
Cost/valuation								
At 1 January 2017	146,229	3,655,683	5,849,093	101,138	270,100	68,067	236,098	10,326,408
Disposals	-	-	-	-	-	(8,642)		(8,642)
<b>At 31 December 2017</b>	<b>146,229</b>	<b>3,655,683</b>	<b>5,849,093</b>	<b>101,138</b>	<b>270,100</b>	<b>59,425</b>	<b>236,098</b>	<b>10,317,766</b>
Depreciation								
At 1 January 2017	-	98,787	808,430	99,906	228,722	44,102	195,637	1,475,584
Charge for the year	-	41,089	167,117	1,232	13,793	7,988	34,658	265,877
Elimination on write-off	-	-	-	-	-	-	(8,642)	(8,642)
<b>At 31 December 2017</b>	<b>-</b>	<b>139,876</b>	<b>975,547</b>	<b>101,138</b>	<b>242,515</b>	<b>52,090</b>	<b>221,653</b>	<b>1,732,819</b>
<b>Net book amount</b>	<b>146,229</b>	<b>3,515,807</b>	<b>4,873,546</b>	<b>-</b>	<b>27,585</b>	<b>7,335</b>	<b>14,445</b>	<b>8,584,947</b>

**Notes (continued)**

**10 Intangible assets**

	<b>2018 USD</b>	<b>2017 USD</b>
<b>Cost</b>		
At start of year	233,052	228,202
Additions	-	4,850
Disposals/Write-offs	(53,248)	-
	<hr/>	<hr/>
At end of year	179,804	233,052
	<hr/>	<hr/>
<b>Amortisation</b>		
At start of year	229,819	228,202
Amortisation for the period	1,617	1,617
Disposals/Write - offs	(53,248)	-
	<hr/>	<hr/>
At end of year	178,188	229,819
	<hr/>	<hr/>
<b>Net book value</b>	<b>1,616</b>	<b>3,233</b>
	<hr/>	<hr/>

Notes (continued)

11 Grant receivable/Deferred grants

Donor	Grant Receivable December 2017	Deferred Income December 2017	Receipts 2018	Income 2018	Grant Receivable December 2018	Deferred Income December 2018
	USD	USD	USD	USD	USD	USD
Africa Constituency Bureau - Support ACB's Surge Capacity	11,895	-	11,895	-	-	-
Amsterdam Health & Technology Institute - Hypertension Study	69,153	-	76,529	7,376	-	-
Avanti Communications Ltd - iMlango External Evaluation	-	-	91,614	305,827	214,213	-
Amsterdam Health & Technology Institute - Living Labs	20,897	-	20,897	-	-	-
Amsterdam Institute for International Development - WOTRO	43,702	-	43,702	-	-	-
Africa Research Excellence Fund - EXCELL	-	-	-	324	324	-
Indepth Network - H3Africa (Awi Gen) II	4,120	-	49,832	59,781	14,070	-
British Academy - Baby Friendly Community Initiative (BFCI)	10,372	-	57,499	205,741	158,614	-
Carnegie Corporation - CARTA 4	-	778,829	-	599,509	-	179,320
County Innovation Challenge Fund - Afya Kwa Ukoo	62,083	-	288,430	258,079	31,732	-
County Innovation Challenge Fund - MNCH Services	-	163,350	(134,333)	29,010	-	7
Children's Investment Fund Foundation - In their Hands Evaluation	-	-	149,803	136,016	-	13,786
Children's Investment Fund Foundation - Tayari Project	108,809	-	340,515	231,706	1	-
Children's Investment Fund Foundation - SAFIRE Evaluation	-	-	759,937	31,479	-	728,458
Columbia University - Global Gag Rule	-	-	-	55,012	55,012	-
Comic Relief - PAMANECH II	752	-	134,986	145,070	10,836	-
Deutscher Akademischer Austausch Dienst (DAAD) CARTA	-	149,173	72,244	173,113	-	48,305
University College London - CUSSH	16,200	-	16,720	520	-	-
Department for International Development - Population Council	-	17,647	95,596	113,242	-	-
Department for International Development/ESRC - Urban Risk	52,689	-	68,901	16,211	-	-
Department for International Development/Pop Council - AGIARP	-	22,331	85,387	82,816	-	24,902
Elma Foundation - Early Childhood Development Evaluation	1,665	-	-	113,732	115,398	-
Episcopal Relief & Development - Parenting Empowerment/ECD RP	-	-	96,121	100,764	4,643	-
Economic & Social Research Council - GALNET	-	6,841	(6,841)	-	-	-

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Donor	Grant Receivable December 2017	Deferred Income December 2017	Receipts 2018	Income 2018	Grant Receivable December 2018	Deferred Income December 2018
	USD	USD	USD	USD	USD	USD
Economic & Social Research Council - Interventions for Older People	-	-	-	5,651	5,651	-
Forum for African Women Educationalists - CSE	-	-	10,166	531	-	9,635
Fidelity Charitable Trust - Regional Education Learning Initiative	-	241,421	99,989	341,410	-	-
Fidelity Charitable Trust - A LOT - Change	-	66,594	300,000	341,324	-	25,270
Fidelity Charitable Trust - Urban Education	-	36,070	(1,047)	35,022	-	-
Fidelity Charitable Trust - Urban Education 2	-	200,000	200,000	164,602	-	235,398
Fidelity Charitable Trust - Regional Education Learning Initiative II	-	-	800,000	765,051	-	34,949
Ford Foundation - LGBTQ Research in Sub Sahara Africa	-	74,171	229,000	195,303	-	107,868
Ford Foundation - YSRHR Review Consultancy	2,993	-	-	452	3,445	-
Ford Foundation - CARTA - II	-	62,489	-	62,489	-	-
Brown University (BIARI) - CARTA Support	-	-	79,995	68,702	-	11,293
Gates Foundation - Fecal waste Management	-	392,845	377,176	354,120	-	415,902
Gates Foundation - Immunization	-	999,373	2,037,787	664,369	-	2,372,791
Gates Foundation - Administering Birth Dose Vaccines	-	-	100,000	28,947	-	71,053
Gates Foundation - Sema Mama Teen	-	-	100,000	24,407	-	75,593
Global Challenges Research Fund - MAM	-	-	-	2,928	2,928	-
Global Challenges Research_York Univ. - AIR Network	-	-	-	8,873	8,873	-
Grand Challenges Canada - Saving Brains	-	-	76,988	579	-	76,409
Guttmacher Institute - Communication Consultancy	19,973	-	-	-	19,973	-
Guttmacher Institute - Maternal Near Miss	6,175	-	74,849	68,675	-	-
Harvard - Lown Scholars Award	-	-	20,712	20,712	-	-
Harvard Business School - Public Engagement	-	-	10,603	5,366	-	5,237
Hewlett Foundation - Org Effectiveness 2018/20	-	-	75,000	1,229	-	73,771
Hewlett Foundation - PEC General Support	-	163,833	(40)	163,793	-	-
Hewlett Foundation - Quality Post Abortion Care Services	-	499,341	300,000	464,477	-	334,864
Hewlett Foundation - Res. Unsafe Abortion in Kenya	-	72,802	1,579	74,381	-	-
International Association for Gerontology & Geriatrics - 2016 Conference	-	2,166	(2,046)	120	-	-

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Donor	Grant Receivable December 2017	Deferred Income December 2017	Receipts 2018	Income 2018	Grant Receivable December 2018	Deferred Income December 2018
	USD	USD	USD	USD	USD	USD
IAGG - Africa Regional Secretariat Policy & Capacity Strengthening	-	-	31,592	36	-	31,556
ICRW - Transforming Access to Contraception	19,060	-	80,382	127,839	66,517	-
International Development Research Centre - ADDRDF III	-	80,727	-	-	-	80,727
International Development Research Centre - ADDRDF IV	-	234,911	81,220	28,137	-	287,995
IDRC - Gender Socialization of VYA in Schools & SRH	-	-	56,446	16,255	-	40,192
IDRC - HPRO - Moving Maternal, New-born & Child Health	-	651,445	-	489,089	-	162,356
Institute of Development Studies - APHRC Social Protection Implications	-	5,442	4,116	9,558	-	-
IIED - Towards Inclusive Health System	18,329	-	84,283	70,543	4,590	-
International Organization for Migration - Health Vulnerability Study	-	4,984	(650)	4,334	-	-
International Organization for Migration - Migration & SRH	167,087	-	174,059	6,972	-	-
Ipas - ADDRDF (Unsafe Abortion Fellows)	-	-	70	70	-	-
Ipas - Assessment of Prov. of Medical Abortion	-	-	-	6,998	6,998	-
Ipas - Public Health Cost of Abortion	-	2,057	(2,057)	-	-	-
Ipas - PMAC	-	-	17,382	29,540	12,158	-
Ipas - Gutmarcher Gynuity - ADDRDF	-	-	61,030	35,500	-	25,530
International Rescue Committee - Violence Against Women & Girls	-	62,770	23,573	24,216	-	62,127
Kenya Medical Research Institute - HDSS Data Access	-	19,374	-	-	-	19,374
Kenya Medical Research Institute - Parental Skills Training	166	-	-	20,811	20,977	-
Liverpool School of Tropical Medicine - RCS Evaluation	-	-	-	1,385	1,385	-
London School of Hygiene & Tropical Medicine - Evaluation of Dreams	-	22,448	492,081	332,926	-	181,603
LSHTM - Understanding NCDs & Role of Infection	-	-	-	16,882	16,882	-
Loughborough University - NINO Living in Poverty	-	-	58,624	39,221	-	19,403
MacArthur Foundation - CARTA	-	23,425	15	23,440	-	-
MasterCard Foundation - Secondary Education in Africa project	-	-	57,790	57,790	-	-
MasterCard Foundation (SSRC) - Learning Facilitation Plan	-	-	200,000	53,421	-	146,579
MGSOG - Linking Social Protection for Productivity	-	-	-	19,186	19,186	-
Marie Stopes Kenya - Gates Calculus Sex Evaluation Project	-	-	-	2,403	2,403	-

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Donor	Grant Receivable December 2017	Deferred Income December 2017	Receipts 2018	Income 2018	Grant Receivable December 2018	Deferred Income December 2018
	USD	USD	USD	USD	USD	USD
National Institutes of Health/Univ. of California - D43 IDEA-BERC	-	-	-	58	58	-
NIHR - Improving Health in Slums	44,999	-	229,847	282,439	97,591	-
Packard Foundation - Demographic Dividend	-	356,009	-	185,557	-	170,452
Packard Foundation - Sexuality Education-Kinshasa	-	107,413	39	107,452	-	-
Packard Foundation - Gender and Agriculture Study	-	147,514	(6,125)	141,389	-	-
Packard Foundation - Western Kenya III	-	10,314	2	10,316	-	-
Packard Foundation - Leadership Coaching & Cultural Shift	-	-	37,800	32,033	-	5,767
Palladium Group - Measure Evaluation Phase 4	-	28,855	(28,826)	29	-	-
Palladium Group - OVC Data Quality Assessment	-	-	257,704	126,984	-	130,720
Palladium Group - Measure Evaluation Phase II	-	-	117,764	135,053	17,289	-
PATH International - Early Childhood Development	20,346	-	33,089	47,572	34,829	-
PATH International - Donor Human Milk	-	8,218	(6,216)	2,002	-	-
PATH International - Human Milk Bank II Project	-	-	19,822	53,374	33,551	-
Pathfinder International – PHE (ADDRF) Fellowships	-	1,103	-	2,235	1,131	-
Porticus Organization - Youth Core Values & Capabilities Assessment	-	-	348,300	127,058	-	221,242
Stockholm Environment Institute - Towards Healthy Communities	-	-	2,613	2,472	-	142
Swedish International Development Cooperation Agency - CARTA	-	2,560	(2,560)	-	-	-
Swedish International Development Cooperation Agency - NUHDSS	-	293,248	-	293,247	-	-
SIDA - CARTA Support 2017	-	902,611	1,652,790	1,454,264	-	1,101,138
SIDA - (CPSE) Challenging Politics Social Exclusion	-	-	1,055,356	29,311	-	1,026,045
Stichting PharmAccess International - Ngao ya Afya	-	-	12,282	43,747	31,465	-
UK Medical Research Council - Food Choices	64,226	-	68,853	133,191	128,564	-
Uppsala Monitoring Centre - Frederick PhD Scholarship	8,642	-	8,642	-	-	-
Uppsala Monitoring Centre - CARTA	-	-	-	39,372	39,372	-
UNICEF - Baby Friendly Work Place Evaluation	233,761	-	368,428	134,667	-	-
UNICEF - Integrated Community Case Management - MAM	14,367	-	109,399	124,078	29,047	-
UNICEF - UNOPS - Urban Health Consultancy	40,605	-	57,663	17,058	-	-
University of Southampton - Social Pension Impact	96,578	-	142,734	98,099	51,942	-

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Donor	Grant Receivable December 2017	Deferred Income December 2017	Receipts 2018	Income 2018	Grant Receivable December 2018	Deferred Income December 2018
	USD	USD	USD	USD	USD	USD
University of Columbia - Later Life Generativity	-	-	10,973	1,618	-	9,355
University of Manitoba - Countdown to 2030	-	85,282	332,320	336,122	-	81,480
UNICEF - USA - Dissemination of Countdown 2030	-	-	75,000	18,401	-	56,599
University Research Co. - Urban Nutrition	-	-	-	2,873	2,873	-
Wellcome Trust - CARTA	-	151,089	-	49,817	-	101,272
Wits Health Consortium - Priceless South Africa	-	-	-	-	-	-
Wellcome Trust - Complex Urban Systems for Sustainability & Health	-	-	59,400	54,921	-	4,479
Wellcome Trust - Public Engagement Fellowships	-	-	26,501	142,653	116,150	-
WHO - Countdown 2030 Facility Data Analysis Workshop	-	-	-	88,644	88,643	-
WHO - Global Early Adolescent Study	1,923	-	1,923	-	-	-
WHO - Research & Knowledge Transfer Hub	-	264,667	-	90,943	-	173,724
Whole New World Foundation - Data For Life	33,209	-	-	-	33,209	-
Wellcome Trust - Deltas Africa	-	778,253	2,139,395	2,021,603	-	896,044
Bad Debt Provision	(20,895)	-	-	-	(53,182)	-
<b>Total</b>	<b>1,173,881</b>	<b>8,193,995</b>	<b>15,755,013</b>	<b>14,376,045</b>	<b>1,449,341</b>	<b>9,880,712</b>

**Notes (continued)**

**12 Debtors and deposits**

	<b>2018</b>	<b>2017</b>
	<b>USD</b>	<b>USD</b>
Staff debtors	64,038	94,422
Other debtors	451,714	242,280
Prepaid staff costs	217,684	65,631
Prepayments	165,746	169,012
Utilities and other deposits	10,121	9,257
	<hr/>	<hr/>
<b>Total</b>	<b>909,303</b>	<b>580,602</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>2018</b>	<b>2017</b>
	<b>USD</b>	<b>USD</b>
Cash at bank	4,221,713	4,889,513
Cash on hand	316	354
Fixed deposits	7,173,423	4,351,385
	<hr/>	<hr/>
<b>Total</b>	<b>11,395,452</b>	<b>9,241,252</b>
	<hr/>	<hr/>

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

	<b>2018</b>	<b>2017</b>
	<b>USD</b>	<b>USD</b>
Kenya Shillings	573,959	258,616
US Dollar	10,526,050	8,453,378
Euro	82,260	35,293
GBP	209,807	491,808
Naira	3,376	2,474
	<hr/>	<hr/>
<b>Total</b>	<b>11,395,452</b>	<b>9,241,569</b>
	<hr/>	<hr/>

APHRC holds fixed deposits at EcoBank Kenya, Stanbic Bank and I&M Bank. Interest income for the year was USD 198,581 (USD 195,430 : 2017)

**Notes (continued)**

**14 Creditors and accruals**

	<b>2018</b>	<b>2017</b>
	<b>USD</b>	<b>USD</b>
Trade creditors	17,008	52,289
Suppliers accruals	399,161	393,388
Staff accruals	342,504	464,656
Due to staff	119,476	142,635
Withholding tax	6,414	1,264
	<u>884,563</u>	<u>1,054,232</u>

**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>2018</b>	<b>2017</b>
	<b>USD</b>	<b>USD</b>
Salaries	1,576,187	1,671,433
Short-term employment benefits	631,318	631,847
	<u>2,207,505</u>	<u>2,303,280</u>

The directors are not compensated for their services as directors. Board expenses are disclosed under Note 8.

**16 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.

**17 Currency**

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

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