

**Deloitte.**

**AFRICAN POPULATION AND HEALTH  
RESEARCH CENTER (APHRC)**

**SPECIAL PURPOSE  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 DECEMBER 2013**

AFRICAN POPULATION AND HEALTH RESEARCH CENTER (APHRC)

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# AFRICAN POPULATION AND HEALTH RESEARCH CENTER (APHRC)

## OFFICIALS AND ADVISERS

<b>Directors</b>	Agyeman Akosa Alex Ezeh Marian Jacobs* Francis Dodoo* Trudy Harpham Cheikh Mbacke* Jennifer Riria* Tamara Fox Tade Aina Goran Bondjers Akpan Ekpo Amina Mohamed* Patricia Vaughan Timothy Stiles James Ole Kiyapi Philip Kinisu	Chairperson, Board of Directors Executive Director
	* Rotated out in November 2013	
<b>Registered office</b>	APHRC Campus Manga Close, off Kirawa Road P.O. Box 10787-00100 Nairobi – Kenya	
<b>Auditor</b>	Deloitte & Touche Deloitte Place, Waiyaki Way, Muthangari P.O. Box 40092 - GPO 00100 Nairobi – Kenya	
<b>Lawyers</b>	Njoroge Regeru and Company Advocates Arbor House, Arboretum Drive Off Bishop Road P.O. Box 46971-00100 Nairobi – Kenya	
<b>Bankers</b>	UBS Financial Services Inc. 1285 Ave of the Americas New York, NY 10019 – USA	Ecobank Nigeria 67, Yakubu Gowon Crescent Asokoro District - Abuja - Nigeria
	CfC Stanbic Bank Ltd CfC Stanbic Centre P.O. Box 72833-00200 Nairobi – Kenya	I & M Bank Kenya PO Box 30238 – 00100 Nairobi – Kenya
	Ecobank Kenya Ecobank Towers Branch P.O. Box 48022-00100 Nairobi – Kenya	

# AFRICAN POPULATION AND HEALTH RESEARCH CENTER (APHRC)

## REPORT OF THE DIRECTORS

The Directors present their annual report together with the audited financial statements for the year ended 31 December 2013.

### Center and nature of activities

The African Population and Health Research Center (APHRC) is an international non-profit making, non-governmental center committed to conducting high-quality, policy relevant research on population and health-related issues facing sub-saharan Africa.

### APHRC Mission

The Center's mission is to be a global center of excellence, consistently generating and delivering relevant scientific evidence for policy and action on population, health and education in Africa.

### Results

The results for the year ended 31 December 2013 are set out on page 7.

### Auditors

Deloitte & Touche were appointed to carry out the audit for the year ended 31 December 2013 and have confirmed their willingness to continue in office.

### Board of Directors

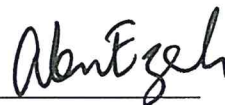
The current Directors are shown on page 2. James Ole Kiyapi and Philip Kinisu joined the Board in November 2013. Marian Jacobs, Francis Dodoo, Cheikh Mbacke and Jennifer Riria rotated out of the board in November 2013. Agyeman Akosa was appointed as the Chairperson of the Board of Directors on the same date.

BY ORDER OF THE BOARD



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

26 April 2014



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

April 26, 2014

# AFRICAN POPULATION AND HEALTH RESEARCH CENTER (APHRC)

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

It is the responsibility of the Directors of African Population and Health Research Center to prepare the annual special purpose financial statements for each year which presents fairly the state of affairs of the Center as at the end of the financial year. The Directors are also required to ensure that the Center keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Center. They are also responsible for safe guarding the assets of the Center.

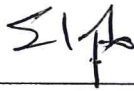
The Directors are responsible for the preparation of these special purpose financial statements that presents fairly in accordance with the accounting policies stated in note 1 of the special purpose financial statements, and for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

The Directors accept responsibility of these special purpose financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates in conformity with the requirements of the Center. The Directors are of the opinion that the special purpose financial statements fairly present the state of the financial affairs of the Center and of the results of its operations. The Directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of these special purpose financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Center will not remain a going concern for at least the next twelve months from the date of this statement.

### Approval of the financial statements

The financial statements of the Center, as indicated above, were approved by the Directors on 26 April 2014 and signed on their behalf by:



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



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

Chairperson of the Board  
African Population and Health Research Center (APHRC)  
P.O. Box 10787-00100  
Nairobi, Kenya

## **INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF AFRICAN POPULATION AND HEALTH RESEARCH CENTER (APHRC)**

We have audited the accompanying special purpose financial statements of African Population and Health Research Center (APHRC) set out on pages 7 to 25, which comprise the statement of financial position at 31 December 2013, the statement of income and expenditure, statement of changes in funds and statement of cash flows for the year then ended and a summary of significance policies and other explanatory notes.

The special purpose financial statements have been prepared by the Directors in accordance with the accounting policies set out in Note 1.

### **Directors' responsibility for the special purpose financial statements**

The Directors are responsible for the preparation of these special purpose financial statements that presents fairly in accordance with the accounting policies set out in Note 1, and for such internal control as the Directors determine are necessary to enable the preparation of these special purpose financial statements that are free from material misstatements, whether due to fraud or error.

### **Auditors' responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we considered the internal control relevant to the Center's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the Center's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion, the special purpose financial statements of the Center for the year ended 31 December 2013 are prepared, in all material respects, in accordance with the accounting policies set out on Note 1 of the financial statements.



AFRICAN POPULATION AND HEALTH RESEARCH CENTER (APHRC)

INDEPENDENT AUDITORS' REPORT (CONTINUED)

**Basis on accounting and restriction on distribution and use**

Without modifying our opinion, we draw attention to Note 1 to the special purpose financial statements, which describes the basis of accounting.

The special purpose financial statements are prepared for purposes of Directors and Management reporting. As a result, the special purpose financial statements may not be suitable for another purpose.

Our report is intended for the information of African Population and Health Research Center. However, upon release by the Center, this report is a matter of public record and its distribution is not limited.

*Deloitte & Touche*

Certified Public Accountants (Kenya)

Nairobi, Kenya

*30 April* 2014

AFRICAN POPULATION AND HEALTH RESEARCH CENTER (APHRC)

STATEMENT OF INCOME AND EXPENDITURE  
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 Restricted Income US\$	2013 Unrestricted Income US\$	2013 Total US\$	2012 Total US\$
<b>INCOME</b>					
Grant income	3	10,690,127	2,325,963	13,016,090	9,960,679
Other income	4	-	654,609	654,609	897,366
Kitisuru building rental income		-	732,635	732,635	691,524
Service charge income		-	168,023	168,023	166,576
<b>Total income</b>		<b>10,690,127</b>	<b>3,881,230</b>	<b>14,571,357</b>	<b>11,716,145</b>
<b>EXPENDITURE</b>					
Direct programme expenses	5	10,690,127	566,392	11,256,519	8,468,767
Administration & support costs	6	-	1,968,222	1,968,222	1,590,457
APHRC campus development	7	-	337,630	337,630	573,942
APHRC campus administration expenses	8	-	194,037	194,037	206,942
<b>Total expenditure</b>		<b>10,690,127</b>	<b>3,066,281</b>	<b>13,756,408</b>	<b>10,840,108</b>
<b>SURPLUS FOR THE YEAR</b>		<b>-</b>	<b>814,949</b>	<b>814,949</b>	<b>876,037</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Fair value loss on available for sale financial assets		-	(24,875)	(24,875)	-
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>790,074</b>	<b>790,074</b>	<b>876,037</b>

The notes set out on pages 11 to 25 form an integral part of these financial statements.



AFRICAN POPULATION AND HEALTH RESEARCH CENTER (APHRC)

STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2013

	Note	2013 US\$	2012 US\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	9	5,827,931	5,730,610
<b>Current assets</b>			
Cash and bank balances	10	10,190,884	7,142,297
Investments	11	386,258	411,133
Debtors and deposits	12	343,485	340,377
Grant receivable	14	12,833,282	21,888,086
<b>TOTAL ASSETS</b>		<b>29,581,840</b>	<b>35,512,503</b>
<b>FUNDS AND LIABILITIES</b>			
Fund balance		6,805,245	5,884,517
<b>Non-current liabilities</b>			
Program related investment loan	15	888,892	1,333,336
<b>Current liabilities</b>			
Creditors and accruals	13	5,549,799	2,946,541
Deferred grants	14	15,893,460	24,459,221
Program related investment loan	15	444,444	888,888
		21,887,703	28,294,650
<b>TOTAL FUNDS AND LIABILITIES</b>		<b>29,581,840</b>	<b>35,512,503</b>

The financial statements shown on pages 7 to 25 were approved and authorized for issue by the Directors on 26 April 2014 and signed on their behalf by:

) Chairperson, Board Finance Committee

) Executive Director

*EWA*  
*Alentzeh*

The notes set out on pages 11 to 25 form an integral part of these financial statements.

AFRICAN POPULATION AND HEALTH RESEARCH CENTER (APHRC)

STATEMENT OF CHANGES IN FUNDS  
AS AT 31 DECEMBER 2013

	Accumulated fund US\$	*Revaluation reserve US\$	**Capital fund US\$	Total US\$
As at 1 January 2012	2,333,425		2,475,042	4,808,467
Surplus for the year	876,037	-	-	876,037
Reclassification of revaluation gain	(6,133)	6,133	-	-
Fixed assets purchased	-	-	420,260	420,260
Fixed assets disposed	-	-	-	-
Building transfer	(888,888)	-	888,888	-
Depreciation for the year	-	-	(220,247)	(220,247)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2012	<u>2,314,441</u>	<u>6,133</u>	<u>3,563,943</u>	<u>5,884,517</u>
As at 1 January 2013	2,314,441	6,133	3,563,943	5,884,517
Change in valuation of investment		(24,875)	-	(24,875)
Surplus for the year	814,949	-	-	814,949
Fixed assets purchased	-	-	423,576	423,576
Fixed assets disposed/written off	-	-	(13,354)	(13,354)
Building transfer	(888,888)	-	888,888	-
Depreciation for the year	-	-	(279,568)	(279,568)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2013	<u>2,240,502</u>	<u>(18,742)</u>	<u>4,583,485</u>	<u>6,805,245</u>

**\* Revaluation reserve**

These represent gain or loss on revaluation of financial instruments.

**\*\* Capital funds**

The capital fund has been created to separate reserves that specifically relate to property and equipment.

The notes set out on pages 11 to 25 form an integral part of these financial statements.

AFRICAN POPULATION AND HEALTH RESEARCH CENTER (APHRC)

STATEMENT OF CASH FLOWS AS AT 31 DECEMBER 2013

	Note	2013 US\$	2012 US\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Generated surplus for the year		790,074	876,037
Adjustments for:			
Depreciation		33,333	55,557
Payments for buildings & land expensed		-	227,639
Interest on program related investment loan		40,000	7,614
Gain on sale of assets		(4,957)	-
Fair value loss (gain) on the investments		24,875	(32,364)
		<hr/>	<hr/>
Surplus before working capital changes		883,325	1,134,483
Working capital changes			
(Increase) in debtors and deposits		(3,108)	(53,895)
(Decrease) in deferred grants		(8,565,761)	(5,749,833)
Increase in creditors and accruals		2,603,258	326,130
Decrease in grants receivable		9,054,804	6,474,961
		<hr/>	<hr/>
Net cash generated by operating activities		3,972,518	2,131,846
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for construction of Kitisuru building		-	(160,483)
Interest on program related investment loan		(40,000)	(7,614)
Purchase for land		-	(67,157)
Proceeds on sale of assets		4,957	-
		<hr/>	<hr/>
Net cash used in investing activities		(35,043)	(235,254)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of program related investment loan	15	(888,888)	(888,888)
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>			
		3,048,587	1,007,704
<b>CASH AND CASH EQUIVALENTS AS AT 1 JANUARY</b>			
		7,142,297	6,134,594
<b>CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER</b>			
		<hr/> <u>10,190,884</u> <hr/>	<hr/> <u>7,142,297</u> <hr/>
<b>Represented by:</b>			
Bank and cash balances	10	<hr/> <u>10,190,884</u> <hr/>	<hr/> <u>7,142,297</u> <hr/>

The notes set out on pages 11 to 25 form an integral part of these financial statements.

# AFRICAN POPULATION AND HEALTH RESEARCH CENTER (APHRC)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 1 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

**(a) Basis of accounting**

The financial statements are prepared under the historical cost basis of accounting. The principal accounting policies adopted are set out below;

**(b) Income recognition**

i) Restricted income is recognised when expenditure is incurred and when grant conditions are fulfilled, i.e. grant income is matched to expenditure. Unrestricted grant income (non specific grants) is recognised over the grant period.

ii) Rental and interest income is recognized as it accrues.

iii) Other income is recognized on a receipt basis.

iv) Funds received for purchase of assets are recognised in full on purchase of the assets.

**(c) Project expenditure**

Project expenditure is recognized when incurred.

**(d) Grants receivable**

Grants from donors are recognized as a receivable when a grant has been approved and a grant agreement with the donors signed, and represents the balance of funds to be received from the donors.

**(e) Deferred grants**

Grants received are treated as deferred grants and credited to the income and expenditure statement when the activities for which they were provided for have been undertaken. Any deferred grants are carried forward as liabilities.

**(g) Prepaid operating lease rental**

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating leases financed through project funds expensed in the income and expenditure statement in the year the costs are incurred. The value of the prepaid lease is then recognized as an asset and an equal amount recognized in the capital fund. Armotisation is charged on a straight line basis over the remaining lease period. This armotisation is charged to the operating lease balance on the asset side and a similar amount charged to the capital fund.

**(e) Capital fund**

The capital fund has been created to reflect the monies spent on property and equipment and is adjusted through the accumulated funds reserve to reflect the movements in assets for additions, depreciation, disposals and loan repayments when an asset is purchased on loan.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

1 SIGNIFICANT ACCOUNTING POLICIES

**(f) Property and equipment**

Buildings, equipment and motor vehicles financed through project funds are expensed in the income and expenditure statement in the year of acquisition. The value of the asset is then recognized as an asset and an equal amount recognized in the capital fund. Depreciation is charged on a straight line basis over the estimated useful life of the asset. This depreciation is charged to the asset balance on the asset side and a similar amount charged to the capital fund.

The annual rates used are:

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

**(g) Financial instruments**

Financial assets and liabilities are recognized in the Center's financial position when the Center has become a party to the contractual provisions of the instrument.

*Financial assets*

Financial assets that have a fixed maturity are measured at amortized cost. Re-measurement gains and losses are dealt with in surplus or deficit for the year.

*Receivables*

Receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. The objective evidence of impairment of the receivables is when there is significant financial difficulty of the counter party or when there is a default or delinquency on the agreed payment terms. When a receivable is considered uncollectible it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in surplus or deficit for the year.

*Payables*

Payables are stated at their nominal value.

*Short term deposits*

Short term deposits are classified as held to maturity and are measured at amortised costs.

*Available for sale investments*

Investments in the Royal Skandia Executive redemption bond is recognised on a trade date basis and was initially measured at fair value, including transaction costs. The investment was stated at the market value ruling as at the year-end and is classified as an available for sale financial asset. Gains or losses on re-measurement are recognised in other comprehensive income and accumulated in the revaluation reserve.

# AFRICAN POPULATION AND HEALTH RESEARCH CENTER (APHRC)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 1 SIGNIFICANT ACCOUNTING POLICIES

#### **(h) Taxation**

No provision for corporate tax has been made in these financials. The Center 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. The Center has an agreement with the Government of Kenya, exempting it from paying corporate taxes.

#### **(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 the purposes of the cash flow statement, cash equivalents include short term liquid investments which are readily convertible into known amounts of cash.

#### **(j) Foreign currency translations**

Assets and liabilities denominated in currencies other than United States Dollars (US\$) are translated into US\$ at the rate of exchange ruling at the statement of financial position date. Transactions during the year are translated at the spot exchange rates at the date of the transactions. All exchange differences are dealt with in the statement of comprehensive income.

#### **(k) Retirement benefit obligations**

The Center operates a defined contribution scheme for eligible employees to which the employer contributes 10% (2012-10%) and the employees contribution is optional. The assets of the scheme are held in separate trustee administered funds and managed by Britam. Contributions are determined by the rules of the scheme.

The Center also contributes to the statutory defined contribution pension scheme, the National Social Security Fund (NSSF). Contributions to this scheme are determined by local statute and are currently at Kshs. 200 per employee per month.

The Center's obligations to these schemes are charged to the income statement as they fall due.

#### **(l) Provision for staff leave and gratuity**

A provision is made to recognize staff entitlements in respect of annual leave not taken and gratuity as at the end of the financial year.

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

Where necessary comparative figures have been adjusted to conform to change in presentation in the current year.

# AFRICAN POPULATION AND HEALTH RESEARCH CENTER (APHRC)

## NOTES TO THE FINANCIAL STATEMENTS

### 2 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

#### **Critical accounting judgments**

In the process of applying the Center's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities within the next financial year. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision only affects that period or in the period of the revision and future periods if the revision affects both current and future periods.

The financial statements have been prepared on a going concern basis on the belief that funds will continue to be received from donors.

#### **Key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date that has a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year:

##### *Equipment*

Critical estimates are made by the management in determining depreciation rates of equipment.

##### *Impairment of assets*

At each statement of financial position date, the Center reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

##### *Provisions and contingent liabilities*

The Center reviews its obligations at the each statement of financial position date to determine whether provisions need to be made and if there are any contingent liabilities.

##### *Going concern*

The financial statements are prepared on a going concern basis on the belief that funds will continue to be received from donors and other funds generated through rental, interest and other incomes.



AFRICAN POPULATION AND HEALTH RESEARCH CENTER (APHRC)

NOTES TO THE FINANCIAL STATEMENTS

3 GRANT INCOME

	2013 US\$	2012 US\$
Unrestricted income		
Hewlett Foundation	833,333	881,944
SIDA - general support	243,612	234,139
Overheads income	1,249,018	970,940
	<hr/>	<hr/>
	2,325,963	2,087,023
	<hr/>	<hr/>
Restricted income (note 14)	10,690,127	7,873,656
	<hr/>	<hr/>
Grand total	13,016,090	9,960,679
	=====	=====

4 OTHER INCOME

Interest income	138,886	179,547
Exchange gains	193,617	484,256
Revaluation gain	-	32,364
Consulting income	13,956	-
Training income	17,882	-
Miscellaneous income	290,268	201,199
	<hr/>	<hr/>
	654,609	897,366
	=====	=====

5 DIRECT PROGRAMME EXPENSES

	2013 Restricted US\$	2013 Unrestricted US\$	2013 Total US\$	2012 Total US\$
Field assistants and consultants	503,332	188,864	692,196	1,375,657
Program staff salaries and benefits	3,239,949	231,892	3,471,841	3,193,756
Public relations and advertising	18,400	-	18,400	27,389
Computers and other equipment	47,306	4,369	51,675	208,600
Seminars and workshops	1,440,315	25,679	1,465,994	971,472
Fellowships	3,417,836	-	3,417,836	1,179,511
Travel costs	113,496	16,139	129,635	539,968
Training	147,127	6,309	153,436	272,834
Printing and stationery	58,617	49,862	108,479	171,207
Dissemination & knowledge Management	1,700	-	1,700	3,819
Sub grants	1,087,966	3,345	1,091,311	102,355
Publications, reprint and reports	24,512	5,331	29,843	44,280
Library development	2,169	-	2,169	15,730
Field office supplies	116,501	5,465	121,966	97,599
Motor vehicle expenses	44,837	258	45,095	51,837
Communications and postage	30,345	6,067	36,412	43,885
Field office rent & expenses	12,451	10,471	22,922	55,120

AFRICAN POPULATION AND HEALTH RESEARCH CENTER (APHRC)

NOTES TO THE FINANCIAL STATEMENTS

5 DIRECT PROGRAMME EXPENSES (CONTINUED)

	2013 Restricted US\$	2013 Unrestricted US\$	2013 Total US\$	2012 Total US\$
Equipment repairs and maintenance	158	315	473	820
Community development	335,380	9,220	344,600	16,950
Other program costs	47,730	2,806	50,536	95,978
	<u>10,690,127</u>	<u>566,392</u>	<u>11,256,519</u>	<u>8,468,767</u>
	=====	=====	=====	=====

6 ADMINISTRATION AND SUPPORT COSTS

	2013 US\$	2012 US\$
Travel costs and allowances	20,665	29,745
Board costs	95,676	98,008
Staff salaries and benefits	855,098	595,149
Other overhead costs	12,316	16,592
Professional fees	32,401	45,652
Office rent	444,656	420,093
Stationery and office supplies	66,879	76,176
Communication and postage	47,902	41,400
Motor vehicle running	1,503	17,189
Staff development	64,300	83,959
Recruitment expenses	24,716	19,913
Insurance	14,285	8,247
Equipment	218,976	32,141
Fundraising costs	35,516	50,636
Depreciation	33,333	55,557
	<u>1,968,222</u>	<u>1,590,457</u>
	=====	=====

7 APHRC CAMPUS DEVELOPMENT

Kitisuru building improvements	44,827	160,483
Land purchase - Esplendor Gardens	-	67,156
PRI loan interest capitalized	40,000	7,614
Road improvements	19,244	96,036
Impairment - land deposit	96,359	-
Office furniture	-	189,896
Building construction financing costs	-	52,757
CCTV additional installation	15,490	-
Audio visual equipment	121,710	-
	<u>337,630</u>	<u>573,942</u>
	=====	=====

AFRICAN POPULATION AND HEALTH RESEARCH CENTER (APHRC)

NOTES TO THE FINANCIAL STATEMENTS

8 APHRC CAMPUS ADMINISTRATION EXPENSES

	2013	2012
	US\$	US\$
Staff costs	22,632	27,358
Security	51,970	49,496
Office cleaning & maintenance	59,645	56,092
Fuel	4,534	7,290
Electricity	28,660	43,750
Office supplies	12,568	10,530
Insurance	5,790	4,775
Water	4,635	7,651
Audit fees	3,603	-
	-----	-----
	194,037	206,942
	=====	=====

AFRICAN POPULATION AND HEALTH RESEARCH CENTER (APHRC)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 PROPERTY AND EQUIPMENT

	Lease hold Land US\$	Building US\$	Computers US\$	Motor vehicles US\$	Furniture, fittings US\$	Equipment and tools US\$	Total US\$
<b>COST</b>							
At 1 January 2012	223,184	5,205,889	595,314	224,673	19,145	80,473	6,348,678
Additions	67,156	168,098	86,923	1,539	94,588	1,956	420,260
Disposals	-	-	-	(9,305)	-	-	(9,305)
At 31 December 2012	290,340	5,373,987	682,237	216,907	113,733	82,429	6,759,633
At 1 January 2013	290,340	5,373,987	682,237	216,907	113,733	82,429	6,759,633
Additions	-	44,826	59,792	174,689	-	144,269	423,576
Disposals and write offs	-	-	(113,574)	(40,244)	(10,699)	(6,621)	(171,138)
At 31 December 2013	290,340	5,418,813	628,455	351,352	103,034	220,077	7,012,071
<b>DEPRECIATION</b>							
At 1 January 2012	5,192	-	511,267	188,390	17,295	40,380	762,524
Charge for the year	2,596	134,350	89,964	28,391	13,080	7,423	275,804
Depreciation w/o on disposal	-	-	-	(9,305)	-	-	(9,305)
At 31 December 2012	7,788	134,350	601,231	207,476	30,375	47,803	1,029,023
At 1 January 2013	7,788	134,350	601,231	207,476	30,375	47,803	1,029,023
Charge for the year	2,595	135,470	64,534	52,334	11,758	46,210	312,901
Disposals and write offs	-	-	(102,782)	(40,243)	(9,647)	(5,112)	(157,784)
At 31 December 2013	10,383	269,820	562,983	219,567	32,486	88,901	1,184,140
<b>NET BOOK VALUE</b>							
At 31 December 2013	279,957	5,148,993	65,472	131,785	70,548	131,176	5,827,931
At 31 December 2012	282,552	5,239,637	81,006	9,431	83,358	34,626	5,730,610

AFRICAN POPULATION AND HEALTH RESEARCH CENTER (APHRC)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 CASH AND BANK BALANCES

	2013 US\$	2012 US\$
Cash at bank	2,743,682	3,491,148
Cash on hand	357	241
Fixed deposits	7,446,845	3,650,908
	<u>10,190,884</u>	<u>7,142,297</u>
	=====	=====

The weighted average rate of interest on the Fixed Deposits was as follows:

Kenya shilling denominated deposits 8.25% (2012: - 7.65%)

USD denominated deposits 3.16% (2012: - 3.25%)

11 AVAILABLE FOR SALE INVESTMENTS

This comprises an investment in a Royal Skandia Executive redemption bond where funds have been placed in a diversified investment portfolio on a long-term basis. Royal Skandia is part of Skandia Insurance Company.

Description	Cost at 31.12.2012 and 31.12.2013 US\$	Market Value as at 31.12.2013 US\$	Market value at 31.12.2012 US\$
Royal Skandia Executive redemption bond	405,000	386,258	411,133
	<u>405,000</u>	<u>386,258</u>	<u>411,133</u>
	=====	=====	=====
		2013 US\$	2012 US\$
Movement in available for sale investments			
As at January		411,133	378,769
Fair value loss		(24,875)	32,364
		<u>386,258</u>	<u>411,133</u>
		=====	=====

12 DEBTORS AND DEPOSITS

Staff debtors	107,390	87,963
Other debtors	169,562	37,781
Prepaid staff costs	17,932	29,933
Prepayments	39,454	174,141
Utilities and other deposits	9,147	10,559
	<u>343,485</u>	<u>340,377</u>
	=====	=====

13 CREDITORS AND ACCRUALS

Trade creditors	244,784	134,849
Payroll creditors	-	20,711
Other accruals	5,305,015	2,790,981
	<u>5,549,799</u>	<u>2,946,541</u>
	=====	=====

AFRICAN POPULATION AND HEALTH RESEARCH CENTER (APHRC)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 GRANTS RECEIVABLE/DEFERRED GRANTS

Donor	Grant receivable A 31 December 2012 US\$	Deferred grants B 31 December 2012 US\$	New grants receivable /adjustments/exc hange differences C 2013 US\$	Receipts /adjustments/ exchange differences D 2013 US\$	Expenditure/ Income E 2013 US\$	Grant receivable F=A+C-D 31 December 2013 US\$	Deferred grants G=B+C-E 31 December 2013 US\$
3ie	-	-	65,996	43,523	66,002	22,473	(6)
Absolute Return for Kids	305,282	309,214	(7,289)	33,433	48,592	264,560	253,333
Aga Khan University Hospital Amsterdam Institute of Global Health	37,589	30,729	(2,412)	16,382	24,116	18,795	4,201
Aspen	-	-	186,791	26,791	16,047	160,000	170,744
Carnegie Corporation, NY Center for Global Development (CGD)	788,743	1,347,380	(103,267)	654,733	688,444	30,743	555,669
Comic Relief	-	16,288	-	-	16,288	-	-
Concern Worldwide	1,555,934	2,287,855	(125,915)	568,979	644,214	861,040	1,517,726
Delphi	-	38,235	133,582	133,582	105,927	-	65,890
Department for International Development ( DFID) through Population Council	92,372	-	-	47,789	-	44,583	-
ESEI	276,372	236,577	(17,682)	177,874	117,881	80,816	101,014
ESRC through university of Southampton	333,266	312,075	(22,527)	51,514	150,180	259,225	139,368
Fidelity Charitable Gift Program	-	-	123,594	(17,349)	51,269	140,943	72,325
Goal Kenya	519,000	519,000	(22,565)	323,435	150,435	173,000	346,000
Gutmacher Institute	-	-	77,741	(3,224)	32,236	80,965	45,505
Helpage International	-	-	3,310	-	2,150	3,310	1,160
Hindu Religious Council	-	-	35,918	18,419	5,162	17,499	30,756
	-	-	9,226	9,226	9,225	-	1

AFRICAN POPULATION AND HEALTH RESEARCH CENTER (APHRC)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 GRANTS RECEIVABLE/ DEFERRED GRANTS (Continued)

Donor	Grant receivable 31 December 2012 US\$	Deferred grants 31 December 2012 US\$	New grants receivable /adjustments/exc hange differences 2013 US\$	Receipts /adjustments/ exchange differences 2013 US\$	Expenditure/ Income 2013 US\$	Grant receivable 31 December 2013 US\$	Deferred grants 31 December 2013 US\$
INDEPTH - H3A	-	-	230,411	-		230,411	230,411
INDEPTH - Network Institute of Development Studies (IDS)	233,594	86,715	62,656	140,441	115,479	155,809	33,892
International Development Research Center (IDRC)	-	-	8,245	4,755	7,432	3,490	813
International Food Policy Research Institute (IFPRI)	779,203	787,294	1,508,448	2,069,157	1,407,501	218,494	888,241
International Organization for Migration (IOM)	237,433	272,105	(34,296)	133,663	228,640	69,474	9,169
Ipas	-	-	28,588	12,659	21,798	15,929	6,790
Johns Hopkins Bloomberg School of Public Health	63,545	42,348	41,004	93,911	61,340	10,638	22,012
London School of Tropical Medicine	4,000	-	-	2,000		2,000	-
MacArthur Foundation	-	1,537	131,500	23,957	47,294	107,543	85,743
National Academy of Sciences	394,348	348,394	-	-	270,787	394,348	77,607
Netherlands Interdisciplinary Demographic Institute (NIDI)	-	-	54,752	-		54,752	54,752
NTNU Social Research Ltd	31,500	6,678	44,424	27,424	37,176	48,500	13,926
PEAS	18,340	9,260	(9,260)	9,080		-	-
Population Council	-	-	51,444	(4,366)	29,108	55,810	22,336
Population Reference Bureau	6,556	4,165	(600)	(600)	3,532	6,556	33
Save the Children	-	-	166,233	121,685	57,307	44,548	108,926
	-	-	10,176	(62)		10,238	10,176



AFRICAN POPULATION AND HEALTH RESEARCH CENTER (APHRC)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 GRANTS RECEIVABLE/ DEFERRED GRANTS (Continued)

Donor	Grant receivable	Deferred grants	New grants receivable /adjustments/exchange differences	Receipts /adjustments/exchange differences	Expenditure/Income	Grant receivable	Deferred grants
	31 December 2012 US\$	31 December 2012 US\$	2013 US\$	2013 US\$	2013 US\$	31 December 2013 US\$	31 December 2013 US\$
Swedish International Development Cooperation Agency (SIDA)	4,761,428	5,400,840	(459,674)	836,755	996,310	3,464,999	3,944,856
The Bill & Melinda Gates Foundation	1,442,814	1,858,687	16,738	1,075,738	1,281,749	383,814	593,676
The David & Lucile Packard Foundation	1,250,000	1,990,330	(40,848)	659,152	654,609	550,000	1,294,873
The Ford Foundation	485,000	865,230	(71,768)	413,232	478,456	-	315,006
The Rockefeller Foundation	-	-	-	-	-	-	-
The University of Witwatersrand	13,502	-	-	-	-	13,502	-
The William & Flora Hewlett Foundation	1,650,000	2,398,095	301,696	471,696	403,373	1,480,000	2,296,418
The Susan Thompson Buffett Foundation	-	-	5,658	5,658	5,658	-	-
Umea	25,197	3,156	1,233	26,430	3,156	-	1,233
UNAIDS	-	-	-	(5,000)	-	5,000	-
University of California - Berkeley	-	-	10,000	(900)	10,001	10,900	-1
Unrestricted Funds Support	-	-	(68,006)	(68,006)	-	-	(68,006)
USAID through Management Sciences for Health	1,383,710	1,253,111	(368,740)	270,584	136,522	744,386	747,849
USAID through Pathfinder International	48,651	26,727	301,354	196,575	183,576	153,430	144,505
Wellcome Trust	4,010,408	3,096,876	(107,971)	2,055,078	1,727,641	1,847,359	1,261,264

AFRICAN POPULATION AND HEALTH RESEARCH CENTER (APHRC)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 GRANTS RECEIVABLE/ DEFERRED GRANTS (Continued)

Donor	Grant receivable 31 December 2012 US\$	Deferred grants 31 December 2012 US\$	New grants receivable /adjustments/exc hange differences 2013 US\$	Receipts /adjustments/ exchange differences 2013 US\$	Expenditure/ Income 2013 US\$	Grant receivable 31 December 2013 US\$	Deferred grants 31 December 2013 US\$
World Diabetes Foundation (WDF)	5,000	-	-	5,000		-	-
World Health Organization (WHO)	311,857	292,947	5,938	(2,163)	197,044	319,958	101,841
<b>Total</b>	<b>21,888,086</b>	<b>24,459,221</b>	<b>2,124,366</b>	<b>11,179,170</b>	<b>10,690,127</b>	<b>12,833,282</b>	<b>15,893,460</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 15 PROGRAM RELATED INVESTMENT LOAN

APHRC entered into a credit agreement with The David and Lucile Packard Foundation to be advanced a term loan in the principal amount of US\$ 4,000,000 to be used solely for the construction of phase one of the Kitisuru project. Interest is payable at a simple rate of 2%. At 31 December 2013, the balances outstanding on this loan were:

	2013 US\$	2012 US\$
Analysis by cash flows:		
Outstanding loan as at 1 January	2,222,224	3,111,112
Funds received during the year	-	-
	-----	-----
Total funds outstanding	2,222,224	3,111,112
Repaid during the year	888,888	888,888
	-----	-----
Outstanding as at 31 December	1,333,336	2,222,224
	=====	=====
Repayable within 12 months	444,444	888,888
	=====	=====
Repayable after 12 months	888,892	1,333,336
	=====	=====

## 16 RECONCILIATION OF CAPITAL FUND TO NET BOOK VALUE

	2013 US\$	2012 US\$
Capital fund 31 December 2013	4,583,485	3,563,943
Add: portion of building purchased with unpaid loan	1,333,336	2,222,224
Less: current year depreciation on portion of building purchased with unpaid loan	(33,333)	(55,557)
Less: accumulated depreciation b/f	(55,557)	-
	-----	-----
NBV 31 December 2013 (Note 9)	5,827,931	5,730,610
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17 LEGAL FORM

African Population and Health Research Center (APHRC) 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.

On 14 June 2001, the Kenya Government and APHRC Inc. entered into a co-operation agreement, which granted APHRC privileges and immunities under Section 11 of the Privileges and Immunities Act (Cap 179). This includes exemption from all taxes, duties and Value Added Tax (VAT). In addition, certain categories of staff are exempted from income tax.

18 CURRENCY

The financial statements are presented in United States Dollars (US\$).