



Accountants &
business advisers

AIDSPAN

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

Aidspan
Report and financial statements
For the year ended 31 December 2011

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ORGANISATION INFORMATION

BOARD OF DIRECTORS : James Deutsch - Board Chair (up to 19 June 2011), US Citizen
: Michael Hirschberg - Board Chair (from 19 June 2011), US Citizen
: Ida Hakizinka - Rwanda Citizen
: Lucy Ng'ang'a - Kenya Citizen
: Rakesh Rajani - (Up to 30 November 2011), Tanzania Citizen
: Alan Whiteside - (From 30 November 2011), South Africa Citizen
: Bernard Rivers - Executive Director, UK Citizen

REGISTERED OFFICE : P.O. Box 54
: Cornwallville
: NY, 12418
: USA

PHYSICAL OFFICE : Aidspan
: No. 63 Kaumoni Crescent
: Loresho
: P. O. Box 66869, 00800
: NAIROBI

AUDITORS : PKF Kenya
: Certified Public Accountants
: P. O. Box 14077, 00800
: NAIROBI

PRINCIPAL BANKERS : Citibank, NY
: P. O. Box 769013
: San Antonio
: TX 78245, 9966, USA

: Citibank, N.A
: Citibank House
: P. O. Box 30711, 00100
: NAIROBI

SOLICITORS : Coulson Harney
: P. O. Box 10643, 00100
: NAIROBI

REPORT OF THE DIRECTORS

The directors submit their report and the audited financial statements for the year ended 31 December 2011, which disclose the state of affairs of the organisation.

1. PRINCIPAL ACTIVITIES

Aidspan was incorporated in the USA in November 2002 under the New York State Not-for-Profit Corporation Law. Aidspan has been physically based in Kenya since mid-2007. On 3 April 2007 the Kenya government's Registrar of Companies issued Aidspan with a Certificate of Compliance under section 366 of the Companies Act, Cap 486.

Aidspan's mission is to reinforce the effectiveness of the *Global Fund to Fight AIDS, Tuberculosis and Malaria*. This mission is achieved through Aidspan acting as an independent watchdog of the Fund and its grant implementers worldwide, and by conducting research; providing information, analysis, and advice; facilitating critical debate; and promoting greater transparency, accountability, effectiveness and impact. These services are intended to benefit all 170 countries that wish to obtain and make effective use of Global Fund financing. Aidspan also publishes the *Global Fund Observer* newsletter, which is read by nearly 10,000 subscribers in over 150 countries.

Aidspan's activities are divided between "Kenya activities" and "international (i.e. non-Kenya) activities". Both sets of activities are entirely funded by Aidspan's US-registered entity, which in turn is financed through grants from governments, foundations and corporations. Aidspan does not charge for any of its products or services, nor does it accept funding of any kind from the Global Fund.

2. RESULTS

The results for the year ended 31 December 2011 are set out in the income and expenditure statement on page 5.

3. DIRECTORS

The directors who held office during the year and to the date of this report are shown on page 1.

4. AUDITORS

The organisation's auditors, PKF Kenya, have indicated their willingness to continue in office.

BY ORDER OF THE BOARD


Michael Hirschberg, Board Chair

29 March 2012

STATEMENT OF DIRECTORS' RESPONSIBILITIES

It is the responsibility of the directors to prepare financial statements which give a true and fair view of the state of affairs of the organisation as at the end of the financial year and of the results for that year. It is also the directors' responsibility to ensure that the organisation maintains proper accounting records which disclose with reasonable accuracy the financial position of the organisation. The directors are also responsible for safeguarding the assets of the organisation.

The directors accept the responsibility for the financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, consistent with previous years, and in conformity with International Financial Reporting Standards. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the organisation as at 31 December 2011 and of its operating results for the year then ended. The directors further confirm the accuracy and completeness of the accounting records maintained by the organisation which have been relied upon in the preparation of the financial statements, as well as on the adequacy of the systems of internal financial controls.

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

Approved by the board of directors on 29 March 2012 2012 and signed on its behalf by:


Michael Hirschberg, Board Chair


Bernard Rivers, Executive Director

**REPORT OF THE INDEPENDENT AUDITORS
TO THE DIRECTORS OF AIDSPAN**

We have audited the accompanying financial statements of Aidspan set out on pages 5 to 18, which comprise the statement of financial position as at 31 December 2011, income and expenditure statement and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with 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 auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation 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 effectiveness of the entity's internal control. 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 accompanying financial statements give a true and fair view of the state of financial affairs of Aidspan as at 31 December 2011 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

PKF Kenya
Certified Public Accountants
PIN NO. P051130467R

NAIROBI

7 May 2012

260/12

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Partners: Sunirmal Mitra*, Harish Shah, Rajan Shah, Atul Shah, Alpesh Vadher, Piyush Shah, Ketan Shah**, Joseph Gichuki, David Kabeberi, Ritesh Mirchandani*, Martin Kisuu, Subhash Devani, Nagin Shah, Vijay Malde, Nishith Shah (*Indian, **British)

PKF Kenya is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

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INCOME AND EXPENDITURE STATEMENT

	Notes	2011 USD	2010 USD
Income			
Grant income	1	1,061,225	899,331
Other income	2	<u>28,949</u>	<u>815</u>
Total income		<u>1,090,174</u>	<u>900,146</u>
Expenditure			
Programme expenditure	4	829,139	577,188
Administrative expenses	5	171,435	154,237
Other operating expenses	6	<u>77,368</u>	<u>57,424</u>
Total expenditure		<u>1,077,942</u>	<u>788,849</u>
Deferred income before tax	3	12,232	111,297
Tax		<u>0</u>	<u>0</u>
Net deferred income for the year		12,232	111,297
Deferred income brought forward		<u>472,656</u>	<u>361,359</u>
Deferred income carried forward		<u><u>484,888</u></u>	<u><u>472,656</u></u>

The significant accounting policies on pages 8 to 11 and the notes on pages 12 to 18 form an integral part of these financial statements.

Report of the independent auditors - page 4.

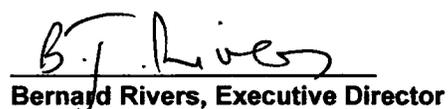
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STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December	
		2011 USD	2010 USD
FUND BALANCE			
Deferred Income		<u>484,888</u>	<u>472,656</u>
REPRESENTED BY			
Non-current assets			
Property and equipment	7	32,049	36,165
Intangible assets	8	<u>7,858</u>	<u>3,500</u>
		<u>39,907</u>	<u>39,665</u>
Current assets			
Sundry debtors	9	55,334	71,125
Cash and bank balances	10	<u>415,164</u>	<u>397,850</u>
		<u>470,498</u>	<u>468,975</u>
Current liabilities			
Creditors and accruals	11	<u>25,517</u>	<u>35,984</u>
Net current assets		<u>444,981</u>	<u>432,991</u>
		<u>484,888</u>	<u>472,656</u>

The financial statements on pages 5 to 18 were authorised for issue by the Board of Directors on 29 March 2012 and were signed on its behalf by:


 Michael Hirschberg, Board Chair


 Bernard Rivers, Executive Director

The significant accounting policies on pages 8 to 11 and the notes on pages 12 to 18 form an integral part of these financial statements.

Report of the independent auditors - page 4.

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STATEMENT OF CASH FLOWS

		2011	2010
		USD	USD
Cash flow from operating activities	Notes		
Deferred Income for the year		12,232	111,297
Adjustments for:			
Interest income	2	-663	-811
Depreciation on property and equipment	7	12,466	8,718
Amortisation of intangible assets	8	2,339	1,000
Net deferred Income before working capital changes		26,374	120,204
Decrease/(increase) in sundry debtors		15,791	-69,012
(Decrease) in creditors and accruals		-10,467	-22,752
Net cash generated from operating activities		31,698	28,440
Cash flow from investing activities			
Cash paid for purchase of property and equipment	7	-8,350	-38,207
Cash paid for purchase of intangible assets	8	-6,697	0
Interest received	2	663	811
Net cash (used in) investing activities		-14,384	-37,396
Increase/(decrease) in cash and cash equivalents		17,314	-8,956
Movement in cash and cash equivalents			
At start of year		397,850	406,806
Increase/(decrease)		17,314	-8,956
At end of year	10	415,164	397,850

The significant accounting policies on pages 8 to 11 and the notes on pages 12 to 18 form an integral part of these financial statements.

Report of the independent auditors - page 4.

NOTES

SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted 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 are prepared in accordance with International Financial Reporting Standards.

b) **Income**

Income comprises grants received from various donors and interest received from investment in short term bank deposits and other income. Grants are accounted for on a cash basis and are recognized when funds are received from donors. Any excess of income over expenditure at the end of each year is transferred to deferred income for future utilization.

c) **Expenditure**

Expenditure is allocated to a particular activity where the costs relate directly to that activity. All expenditure is accounted for on the accrual basis. The expenditure in the financial statements include expenses incurred for Aidspan's Kenya and international activities.

d) **Translation of foreign currencies**

Transactions in currencies other than USD are converted into USD (the functional currency), at rates ruling at the transaction dates. Assets and liabilities at the date of this report which are expressed in currencies other than USD are translated into USD at rates ruling at that date. The resulting differences from conversion and translation are dealt with in the income and expenditure statement in the year in which they arise.

e) **Property and equipment**

All property and equipment is initially recorded at cost and thereafter stated at historical cost less depreciation. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

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

Depreciation has been calculated on a straight line basis to write down the cost of each asset to its residual value over its estimated useful life using the following annual rates:

	<u>Rate</u>
Computer equipment	33.3%
Furniture and fittings	20%
Office equipment	20%

Gains and losses on disposal of property and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining deferred income for the year.

NOTES (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) **Intangible assets**

i) **Goodwill**

Goodwill refers to certain IP rights purchased from the founder of Aidspan. As approved by the board on 5 February 2004, these rights included the initial issue of *Global Fund Observer* (GFO) newsletter, the initial GFO newsletter mailing list, Aidspan's domain/URL, and its Web Site.

Goodwill is amortised over a period of 10 years and the amortisation is charged to the income and expenditure statement.

ii) **Computer software**

Computer software programmes are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on a straight line basis over their useful lives which are estimated to be 5 years.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the acquisition of identifiable and unique software products controlled by the company, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets.

g) **Financial instruments**

- **Financial assets**

The organisation's financial assets which includes cash and bank balances and sundry receivables fall into the following category:

- **Loans and receivables:** financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are classified as current assets where maturities are within 12 months of the date of this report. All assets with maturities greater than 12 months after the date of this report are classified as non-current assets. Subsequent to initial recognition, they are carried at amortised cost using the effective interest method. Changes in the carrying amount are recognised in the income and expenditure statement.

Purchases and sales of financial assets are recognised on the trade date i.e. the date on which the organisation commits to purchase or sell the assets.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the organisation has transferred substantially all risks and rewards of ownership.

A financial asset is impaired if its carrying amount is greater than its estimated recoverable amount. Impairment of financial assets is recognised in the income and expenditure statement under administrative expenses when there is objective evidence that the organisation will not be able to collect all amounts due per the original terms of the contract. Significant financial difficulties of the issuer, probability that the issuer will enter bankruptcy or financial reorganisation, default in payments and a prolonged decline in fair value of the asset are considered indicators that the asset is impaired.

The amount of the impairment loss is calculated at the difference between the assets carrying amount and the present values of expected future cash flows, discounted at the financial instrument's effective interest rate.

NOTES (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Financial instruments (continued)

Subsequent recoveries of amounts previously written off/impaired are credited to the income and expenditure statement in the year in which they occur.

Gains and losses on disposal of assets whose changes in fair value were initially recognised in the income and expenditure statement are determined by reference to their carrying amount and are taken into account in determining the deferred income.

Management classifies financial assets as follows:

Cash in hand and balances with financial institutions and sundry debtors are classified as loans and receivables and are carried at amortised cost.

- Financial liabilities

The organisation's financial liabilities which include creditors and accruals fall into the following category:

- **Financial liabilities measured at amortised cost:** These are initially measured at fair value and subsequently measured at amortised cost, using the effective interest rate method.

Any difference between the proceeds (net of transaction costs) and the redemption value is recognised as interest expense in the income and expenditure statement.

All financial liabilities are classified as current liabilities unless the organisation has an unconditional right to defer settlement of the liability for at least 12 months after the date of this report.

Financial liabilities are derecognised when, and only when, the organisation's obligations are discharged, cancelled or expired.

- Offsetting financial instruments

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

h) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks.

i) Accounting for leases

Leases of assets under which a significant portion of the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income and expenditure statement on a straight line basis over the period of the lease.

NOTES (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- j) **Employee entitlements**
The estimated monetary liability for employees' accrued annual leave entitlement at the reporting date is recognised as an expense accrual.
- k) **Retirement benefit obligations**
The organisation operates a defined contribution staff retirement benefit scheme for its permanent and pensionable employees. The scheme is administered by an insurance company. The organisation's contributions to the defined contribution retirement benefit scheme are charged to the income and expenditure statement in the year to which they relate. The organisation has no further payment obligations once the contributions have been paid.
- The organisation and its employees contribute to the National Social Security Fund (NSSF), a statutory defined contribution scheme registered under the NSSF Act. The organisation's contributions to the defined contribution scheme are charged to the income and expenditure statement in the year to which they relate.
- l) **Taxation**
The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss.
- Current tax**
Current tax is provided on the results for the year, adjusted in accordance with tax legislation.
- Deferred tax**
Deferred tax is provided using the liability method for all temporary timing differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary timing differences can be utilised.
- m) **Comparatives**
Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

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NOTES		2011	2010
		USD	USD
1.	Grant income		
	Monument Trust	580,000	599,975
	Norad	332,655	230,702
	Hivos	148,570	68,654
		<u>1,061,225</u>	<u>899,331</u>
2.	Other income		
	Interest income	663	811
	Net foreign exchange gain	28,286	4
		<u>28,949</u>	<u>815</u>
3.	Deferred Income for the year		
	This is stated after charging/(crediting):		
	Staff costs (Note 5)	120,121	99,570
	Auditor's remuneration		
	- current year	4,000	4,028
	- under/(over) provision in prior years	782	-2,543
	Depreciation on property and equipment (Note 7)	12,466	8,718
	Amortisation of intangible assets (Note 8)	2,339	1,000
	Foreign exchange gain	-28,286	-4
	Interest income	-663	-811

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NOTES (CONTINUED)

4. Programme expenditure

Year ended 31 December 2011

	Research on Global fund USD	Provide information and advice USD	Facilitate discussion USD	Push for increased Global fund impact USD	Monitoring and evaluation USD	Board USD	Cross program USD	Total USD
Staff	33,449	61,616	62,163	55,748	85,610	18,060	70,420	387,066
Consultants	116,569	129,209	10,320	7,020	24,048	0	0	287,166
Travel	35,744	6,782	35,657	26,366	2,000	42,894	0	149,443
Other costs	117	154	2,314	0	1,459	1,420	0	5,464
	<u>185,879</u>	<u>197,761</u>	<u>110,454</u>	<u>89,134</u>	<u>113,117</u>	<u>62,374</u>	<u>70,420</u>	<u>829,139</u>

Split between Kenyan and International expenses

Kenyan	32,887	57,685	101,776	55,748	92,226	18,504	70,420	429,246
International	<u>152,992</u>	<u>140,076</u>	<u>8,678</u>	<u>33,386</u>	<u>20,891</u>	<u>43,870</u>	<u>0</u>	<u>399,893</u>
	<u>185,879</u>	<u>197,761</u>	<u>110,454</u>	<u>89,134</u>	<u>113,117</u>	<u>62,374</u>	<u>70,420</u>	<u>829,139</u>

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NOTES (CONTINUED)

4. Programme expenditure (continued)

Year ended 31 December 2010

	Research on Global fund USD	Provide information and advice USD	Facilitate discussion USD	Push for increased Global fund impact USD	Monitoring and evaluation USD	Board USD	Cross program USD	Total USD
Staff	0	15,403	22,117	158,809	14,146	0	43,461	253,936
Consultants	0	160,472	0	0	5,163	0	45,040	210,675
Travel	0	26,709	2,878	36,519	0	37,813	4,035	107,954
Other costs	0	0	0	0	0	4,623	0	4,623
	<u>0</u>	<u>202,584</u>	<u>24,995</u>	<u>195,328</u>	<u>19,309</u>	<u>42,436</u>	<u>92,536</u>	<u>577,188</u>
Split between Kenyan and International expenses								
Kenyan	0	44,088	22,229	150,187	19,309	4,321	46,737	286,871
International	0	158,496	2,766	45,141	0	38,115	45,799	290,317
	<u>0</u>	<u>202,584</u>	<u>24,995</u>	<u>195,328</u>	<u>19,309</u>	<u>42,436</u>	<u>92,536</u>	<u>577,188</u>

5. Administrative expenses

Employment:

Salaries and wages

Consultants

Other staff costs

Total employment costs

	2011 USD	2010 USD
Salaries and wages	107,589	61,293
Consultants	9,814	37,358
Other staff costs	2,718	919
Total employment costs	<u>120,121</u>	<u>99,570</u>

NOTES (CONTINUED)

5.	Administrative expenses (continued)	2011	2010
		USD	USD
	Other administration expenses:		
	Office supplies	1,511	3,373
	Printing and stationery	5,156	2,669
	Postages and telephones	5,469	5,116
	Local travel	6,225	4,170
	Bank charges and commissions	3,863	4,356
	Repairs and maintenance	5,482	8,769
	Hospitality	6,578	3,206
	Software	0	5,593
	Legal and professional fees	12,248	3,158
	Audit fees		
	- current year	4,000	4,028
	- under/(over) provision in prior years	782	-2,543
	Other administration expenses	<u>0</u>	<u>12,772</u>
	Total other administration expenses	<u>51,314</u>	<u>54,667</u>
	Total administrative expenses	<u>171,435</u>	<u>154,237</u>
	Split between Kenyan and International expenses		
	Kenyan	154,336	143,737
	International	<u>17,099</u>	<u>10,500</u>
		<u>171,435</u>	<u>154,237</u>
6.	Other operating expenses		
	Establishment:		
	Rent and utilities	41,802	36,161
	Insurance	4,503	631
	Web hosting and emailing	16,258	10,648
	Other operating expenses	0	266
	Depreciation on property and equipment (Note 7)	12,466	8,718
	Amortisation of intangible assets (Note 8)	<u>2,339</u>	<u>1,000</u>
		<u>77,368</u>	<u>57,424</u>
	Split between Kenyan and International expenses		
	Kenyan	67,352	55,585
	International	<u>10,016</u>	<u>1,839</u>
		<u>77,368</u>	<u>57,424</u>

NOTES (CONTINUED)

7. Property and equipment

Year ended 31 December 2011

	Computer Equipment USD	Furniture and Fittings USD	Office Equipment USD	Total USD
Cost				
At start of year	27,517	17,013	12,196	56,726
Additions	<u>4,971</u>	<u>882</u>	<u>2,497</u>	<u>8,350</u>
At end of year	<u>32,488</u>	<u>17,895</u>	<u>14,693</u>	<u>65,076</u>
Depreciation				
At start of year	14,469	3,784	2,308	20,561
Charge for the year	<u>6,663</u>	<u>3,214</u>	<u>2,589</u>	<u>12,466</u>
At end of year	<u>21,132</u>	<u>6,998</u>	<u>4,897</u>	<u>33,027</u>
Net book value	<u><u>11,356</u></u>	<u><u>10,897</u></u>	<u><u>9,796</u></u>	<u><u>32,049</u></u>

Year ended 31 December 2010

	Computer Equipment USD	Furniture and Fittings USD	Office Equipment USD	Total USD
Cost				
At start of year	15,430	2,122	967	18,519
Additions	<u>12,087</u>	<u>14,891</u>	<u>11,229</u>	<u>38,207</u>
At end of year	<u>27,517</u>	<u>17,013</u>	<u>12,196</u>	<u>56,726</u>
Depreciation				
At start of year	9,154	1,722	967	11,843
Charge for the year	<u>5,315</u>	<u>2,062</u>	<u>1,341</u>	<u>8,718</u>
At end of year	<u>14,469</u>	<u>3,784</u>	<u>2,308</u>	<u>20,561</u>
Net book value	<u><u>13,048</u></u>	<u><u>13,229</u></u>	<u><u>9,888</u></u>	<u><u>36,165</u></u>

NOTES (CONTINUED)

8. Intangible assets	Goodwill USD	Software USD	Total USD
Year ended 31 December 2011			
Cost			
At start of year	10,000	0	10,000
Additions	0	6,697	6,697
At end of year	<u>10,000</u>	<u>6,697</u>	<u>16,697</u>
Amortisation			
At start of year	6,500	0	6,500
Charge for the year	1,000	1,339	2,339
At end of year	<u>7,500</u>	<u>1,339</u>	<u>8,839</u>
Net book value	<u>2,500</u>	<u>5,358</u>	<u>7,858</u>
Year ended 31 December 2010			
Cost			
At start and end of year	<u>10,000</u>	<u>0</u>	<u>10,000</u>
Amortisation			
At start of year	5,500	0	5,500
Charge for the year	1,000	0	1,000
At end of year	<u>6,500</u>	<u>0</u>	<u>6,500</u>
Net book value	<u>3,500</u>	<u>0</u>	<u>3,500</u>
9. Sundry debtors			
		2011	2010
		USD	USD
Staff advances		11,545	14,601
Prepayments		39,085	49,393
Other receivables		1,436	3,959
Deposits		3,268	3,172
		<u>55,334</u>	<u>71,125</u>
In the opinion of the directors, the carrying amounts of sundry debtors approximate to their fair value.			
10. Cash and cash equivalents			
		2011	2010
		USD	USD
Cash and bank balances		<u>415,164</u>	<u>397,850</u>
For the purpose of statement of cash flows, the year-end cash and cash equivalents comprise of the above.			
11. Creditors and accruals			
		2011	2010
		USD	USD
Sundry creditors		21,517	14,423
Other creditors		0	13,680
Accruals		4,000	7,881
		<u>25,517</u>	<u>35,984</u>

In the opinion of the directors, the carrying amounts of creditors and accrual approximate to their fair value.

NOTES (CONTINUED)

12. **Related party transactions and balances**
There were no related party transactions in 2011.

	2011	2010
	USD	USD
13. Key management remuneration		
Salaries and employment benefits	<u>240,218</u>	<u>188,000</u>

14. **Donor contractual commitments**
The organisation has entered into contract with the following donors.

Donor	Contractual Commitments in Contract Currency as at 31 Dec 2011			
	2012	2013	2014	2015
The Monument Trust	\$320,000	0	0	0
Norad	NOK 1,590,000	NOK 1,590,000	0	0
Hivos	€ 60,000	€ 60,000	0	0
UK Dept. for International Development - DFID	£650,000	£260,000	£260,000	£130,000

Donor	Contractual Commitments - In USD as at 31 Dec 2011			
	2012 USD	2013 USD	2014 USD	2015 USD
The Monument Trust	320,000	0	0	0
Norad	264,989	264,989	0	0
Hivos	77,691	77,691	0	0
UK Dept. for International Development (DFID)	1,004,452	401,781	401,781	200,890
TOTAL	<u>1,667,132</u>	<u>744,461</u>	<u>401,781</u>	<u>200,890</u>

15. **Registration**
Aidspan is incorporated in the State of New York, USA under the New York State Not-for-Profit Corporation Law. In Kenya, Aidspan has complied with the requirements of section 366 of the Companies Act Cap 486, and was issued with a *Certificate of Compliance by the Registrar of Companies on the 3rd of April, 2007.*

16. **Taxation**
The organisation is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue (the "code"). In addition, Aidspan has been determined to be a publicly supported organisation, and not as a private foundation under the meaning of Section 509(a) of the code. Donors are eligible to receive the maximum charitable tax deductions available for public charities under the code.

17. **Presentation Currency**
The financial statements are presented in United States Dollar (USD).

Appendix 1: Aidspan's Budgeted vs. Actual Expenditure, US\$ - (On a cash basis)

Breakdown of programme-related and admin-related costs	2011 Budget	2011 Actual	% of Budget
Programme-related (including all programme-related staff/consultant costs)			
Conduct Research on the GF			
Research and critique the GF Secretariat and Board	129,230	70,337	54%
Research and critique the implementers of GF grants	158,626	65,215	41%
Research and evaluate the overall impact of the GF	109,793	50,326	46%
Subtotal, Conduct Research on the GF	397,649	185,879	47%
Publish Information, Analysis, and Advice on the GF			
Publish Global Fund Observer	243,628	116,547	48%
Publish Guides and Reports	130,877	69,572	53%
Provide further information using the Aidspan web engine	31,555	11,642	37%
Subtotal, Publish Information, Analysis, and Advice on the GF	406,059	197,761	49%
Facilitate Discussion on GF Issues			
Organize Round Tables	124,778	0	0%
Host web-based discussion forums and CCM websites	27,995	33,350	119%
Mentor local watchdogs	19,309	23,672	123%
Provide or facilitate workshops	71,836	53,432	74%
Subtotal, Facilitate Discussion on GF Issues	243,918	110,454	45%
Push for Increased GF Impact			
Publish White Papers and GFO Commentary articles	70,251	21,730	31%
Privately interact with key actors	122,558	67,404	55%
Subtotal, Push for Increased GF Impact	192,810	89,134	46%
Cross Programme and IT Related Activities			
Design, develop and manage IT systems	111,658	70,420	63%
Subtotal, Cross Programme and IT Related Activities	111,658	70,420	63%
Planning & M&E, and Support Board & Donors			
Plan Aidspan activities	39,007	33,303	85%
Perform M&E and 4-year evaluation	62,772	51,045	81%
Report on Aidspan activities	28,819	28,770	100%
Support the Board and Donors	81,171	62,374	77%
Subtotal, Planning & M&E, and Support Board & Donors	211,769	175,492	83%
Programme Contingency	39,097	0	0%
Total programme-related costs	1,602,960	829,138	52%
Admin-related (including all rent and all equipment purchases)			
Administer Aidspan and Raise Funds			
Administer Aidspan	123,842	105,595	85%
Raise funds	36,546	14,526	40%
Subtotal, Administer Aidspan and Raise Funds	160,387	120,121	75%
Operational			
Rent and other fixed overhead	67,828	62,563	92%
Office expenses	41,787	33,542	80%
Invest in equipment/technology	15,350	15,549	101%
Professional fees	16,523	17,030	103%
Subtotal, Operational	141,489	128,684	91%
Admin Contingency	7,547	0	0%
Total admin-related costs	309,423	248,804	80%
GRAND TOTAL	1,912,383	1,077,942	56%