



Grant Thornton

**Centre for Sexual Health HIV/AIDS Research
Zimbabwe (CeSHHAR Zimbabwe)**

Annual Financial Statements

31 December 2019

Centre for Sexual Health HIV/AIDS Research Zimbabwe (CeSHHAR Zimbabwe)

NATURE OF BUSINESS:

CeSHHAR's mission is to conduct research, deliver programs, and strengthen capacity to inform health policy and programming in Zimbabwe and beyond.

DIRECTORS:

Mushore James (Chairman)
Cowan Frances (Prof)
Khumalo Miranda
Lalloo David
Mangezi Walter
Mbetu Patricia
Mutasa Kuda
Powell Greg
Sagonda Ronald

REGISTERED OFFICE:

4Bath Road
Belgravia
HARARE

AUDITORS:

Grant Thornton
Chartered Accountants (Zimbabwe)
Camelsa Business Park
135 Enterprise Road
Highlands
HARARE

BANKERS:

Stanbic Bank
1st Floor, 5 Sheffield Terrace
Second Street Extension
Belgravia
HARARE

NMB Bank
PaSangano Complex
20 King George
HARARE

NEDBANK
Johannesburg
SOUTH AFRICA

Contents

	Page
Responsibility of Management and Those Charged with Governance and approval of the financial statements	1
Independent Auditors' Report	2-4
Statement of income and expenditure	5
Statement of financial position	6
Statement of changes in funds	7
Statement of cash flows	8
Statement of accounting policies	9-10
Notes to the financial statements	11-16

These financial statements are expressed in USD.

Responsibilities of Management and Those Charged with Governance and approval of financial statements for the year ended 31 December 2019

To the Directors at Centre for Sexual Health HIV/AIDS Research Zimbabwe (CeSHHAR Zimbabwe)

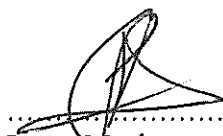
It is the Directors' responsibility to ensure that the financial statements fairly present the state of affairs of Centre for Sexual Health HIV/AIDS Research Zimbabwe (CeSHHAR Zimbabwe). The external auditors are responsible for independently reviewing and reporting on the financial statements.

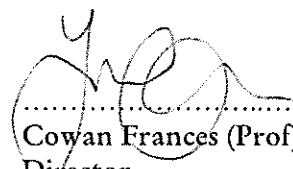
The Directors' have assessed the ability of the Organisation to continue as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate. However, the Directors' believe that under the current economic environment a continuous assessment of the ability of the Organisation to continue to operate as a going concern will need to be performed to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these consolidated financial statements.

The financial statements set out in this report have been prepared by management in accordance with International Financial Reporting Standards (IFRS). The statements are based on appropriate accounting policies which are supported by reasonable and prudent judgements and estimates.

The organisation's internal and accounting control systems are designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability of its assets. Such controls are based on established written policies and procedures and all employees are required to maintain the highest ethical standards in ensuring that the organisation's business practices are conducted in a manner which in all reasonable circumstances is above reproach. Issues that come to the attention of the Directors have been addressed and the Directors confirm that the system of internal and accounting control is operating in a satisfactory manner.

The organisation's financial statements which are set out below on pages 5 to 16 were, in accordance with their responsibilities, approved by the directors on 2020 and are signed on its behalf by:


.....
James Mushore
Board Chairperson


.....
Cowan Frances (Prof)
Director

INDEPENDENT AUDITORS' REPORT

Grant Thornton

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To the members of Centre for Sexual Health HIV/AIDS Research Zimbabwe (CeSHHAR Zimbabwe)

Report on the Audit of the Financial Statements

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Centre for Sexual Health HIV/AIDS Research Zimbabwe (CeSHHAR Zimbabwe) as at 31 December 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

We have audited the accompanying financial statement of Centre for Sexual Health HIV and AIDS Research, set out on pages 5 to 16, which comprise of a financial position as at 31 December 2019, the statement of income and expenditure, the statement of changes in funds and the statement of cash flows for the year ended and a summary of significant accounting policies and explanatory notes.

Responsibilities of Management and Those Charged with Governance 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 (IFRSs). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

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 judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 the Organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 the Organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Organisation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Organisation's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse

consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on legal and other regulatory requirements

In our opinion, the financial statements have, in all material respects, been properly prepared in accordance with the disclosure requirements of the Private Voluntary Organisations Act (Chapter 17:05).

The engagement partner on the audit resulting in this Independent auditor's report is Alice Mafanuke.

Grant Thornton

Alice Mafanuke
Partner

Registered Public Auditor (PAAB No: 0465)

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors

21 May 2020

HARARE

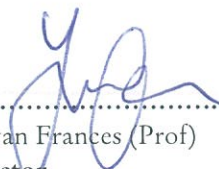
Statement of income and expenditure
for the year ended 31 December 2019

	Notes	2019 USD	2018 USD
Income			
Grant income	2	5 631 610	5 260 641
Other income	3	<u>34 755</u>	<u>29 938</u>
Total income		<u>5 666 365</u>	<u>5 290 579</u>
Expenditure			
Operating expenditure	4	<u>(5 721 681)</u>	<u>(5 338 137)</u>
Total expenditure		<u>(5 721 681)</u>	<u>(5 338 137)</u>
(Deficit) for the year		<u><u>(55 316)</u></u>	<u><u>(47 558)</u></u>

Statement of financial position
as at 31 December 2019

	Notes	2019 USD	2018 USD
ASSETS			
Non-current assets			
Property and equipment	5	<u>39 108</u>	<u>8 659</u>
Current assets			
Inventory	6	1 113	4 253
Trade receivables	7	34 578	92 822
Receivables from donors	8	521 435	324 868
Cash and cash equivalents	9	<u>427 273</u>	<u>407 932</u>
		<u>984 399</u>	<u>829 875</u>
Total assets		<u><u>1 023 507</u></u>	<u><u>838 534</u></u>
FUNDS AND LIABILITIES			
Funds			
Accumulated surplus		<u>55 514</u>	<u>110 830</u>
Current liabilities			
Trade payables	10	132 988	7 890
Deferred income	11	<u>835 005</u>	<u>719 814</u>
		<u>967 993</u>	<u>727 704</u>
Total fund and liabilities		<u><u>1 023 507</u></u>	<u><u>838 534</u></u>


Mushore James
Board Chairperson


Cowan Frances (Prof)
Director

Statement of changes in funds
for the year ended 31 December 2019

	Accumulated funds USD	Total USD
Balance at at 1 January 2018	158 388	158 388
Deficit for the year	<u>(47 558)</u>	<u>(47 558)</u>
Balance at 31 December 2018	110 830	110 830
Deficit for the year	<u>(55 316)</u>	<u>(55 316)</u>
Balance at 31 December 2019	<u><u>55 514</u></u>	<u><u>55 514</u></u>

Statement of cash flows
for the year ended 31 December 2019

		2019 USD	2018 USD
Cash flows from operating activities	Notes		
(Deficit)/surplus for the year		(55 316)	(47 558)
Adjustments for:			
Depreciation of property and equipment	5	7 363	3 667
Profit on disposal of assets		-	-
		<u>(47 953)</u>	<u>(43 891)</u>
Working capital changes			
Decrease in inventories		3 140	3 036
Decrease/(increase) in accounts receivables		58 244	(17 032)
Increase in receivables from donor		(196 567)	(23 771)
Increase/(decrease) in accounts payables		125 098	(45 049)
Increase/(decrease) in deferred income		115 191	(268 737)
Net cash flows utilised in/generated from operating activities		<u>57 153</u>	<u>(395 444)</u>
Cash flows from investing activities			
Acquisition of property and equipment		(37 812)	(5 045)
Proceeds from sale of property and equipment		-	-
Net cash flow from utilised in/generated from investing activities		<u>(37 812)</u>	<u>(5 045)</u>
(Decrease)/increase of cash and cash equivalents		19 341	(400 489)
Cash and bank balances at the beginning of the year		<u>407 932</u>	<u>808 421</u>
Cash and bank balances at the end of the year	9	<u><u>427 273</u></u>	<u><u>407 932</u></u>

Notes to the financial statements
for the year ended 31 December 2019

1 ACCOUNTING POLICIES

General information

The Centre for Sexual Health and HIV/AIDS Research (CeSHHAR) Zimbabwe was registered as trust in January 2012. Previously known as the Regai Dzive Shiri Project, which has operated in Zimbabwe since 1999, CeSHHAR Zimbabwe houses fifteen HIV prevention and sexual health research and programmatic projects. In 2014 CeSHHAR Zimbabwe was registered as a Private Voluntary Organisation (PVO) with the Ministry of Public Service, Labour and Social Welfare. In addition to undertaking research and implementing programmes, CeSHHAR has a strong commitment to strengthening research capacity among Zimbabwean graduates.

Reporting currency

The organisation's functional and presentation currency is the United States Dollars (USD).

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the trust Deed. They are based on statutory records that are maintained under the historical cost

Summary of accounting policies

1.2 Income

Income is accounted for as and when it is received from funding organisations.

1.3 Depreciation of fixed assets

Assets purchased by the organisation for a specific project by a specific donor are expensed in the year of purchase unless otherwise instructed by the donor.

Where the assets are not project specific, they are capitalised and depreciated on a straight line basis over their expected useful lives as follows:

Computers and equipment	3 years
Office furniture and fittings	10 years
Motor vehicles	5 years

1.4 Other income

Other income represents income generated from own funding activities that are implemented by the organisation such as consultancy agreements with other partners.

1.5 Current receivables and liabilities

Outstanding cheques are recorded as liabilities and outstanding deposits as receivables.

Notes to the financial statements
for the year ended 31 December 2019 (continued)

1.6 Cash and bank balances

Cash and bank balances include cash in hand, deposits held at call with banks on the reporting date.

1.7 Employee benefits

The scheme was promulgated under the National Social Security Act of 1989. The Organisation's obligation under the scheme is limited to specific contributions as legislated from time to time, which are presently three per cent of pensionable emoluments.

1.8 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories comprises of all costs of purchase.

Notes to the financial statements
for the year ended 31 December 2019

	2019 USD	2018 USD
2 Grant income:		
WHO Sex Work Programm	437	-
Aidsfond	1 925	126
Antwerp	81 683	37 386
AVAC FELLOW	3 578	14 097
Bloodbased HIV Self testing + Pricing Study	309 240	470 193
Building Resilience-SHG for Adolescents	35 817	17 822
AMETHIST Welcome Trust	65 438	-
Elton John AIDS Foundation	312 559	76 985
MeSH Consortium - Recency	21 906	181 264
Self Help Group-Innovation	274 334	249 003
International Aids Society	-	8 100
DREAMS Impact Evaluation	223 902	284 695
EC- Maternal Immunisation	124 241	70 544
Mental Validation	-	5 115
NAC Global Fund Approved Sex work activities	20 854	65 631
NAC Global Fund Approved Sex work activities	1 225 277	723 000
NAC Microplaning	-	1 335
Odyssey	39 527	47 061
PREP-Costing Study	9 343	12 722
PSI-Strengthening Private Sector Service Programm (COP)	(78)	231 911
PSI-UNITAID STAR Phase 2	990 816	652 130
MRC Research Fellow	75 170	-
PSI-Last Mile KPIF	21 698	-
PSI-Strengthening Private Sector Service Programm (DREAMS)	-	194 750
PSI-Going the Last Mile	763 475	-
PSI-Voluntary Medical Male Circumcision	435 604	372 834
UNFPA Spotlight Initiative	6 279	-
AFRICAID Third generation	37 813	24 815
UC Berkely PMTCT	3 000	675 195
USAID /Mullen	(1 482)	219 787
ViiV Healthcare "Charities Aids Foundation" Zvandiri Trial	542 768	576 694
YWSS Health Economics	6 486	47 446
	<u>5 631 610</u>	<u>5 260 641</u>

Notes to the financial statements
for the year ended 31 December 2019 (continued)

	2019 USD	2018 USD
3 Other income:		
Interest received	1 853	4 776
Net income printing	21 649	8 685
Other income	7 829	16 477
Asset disposal	385	-
Grant Income	3 039	-
	<u>34 755</u>	<u>29 938</u>
4 Operating expenditure:		
Accounting fees	17 333	15 067
Advertising	6 400	8 647
Bank charges	42 099	14 936
Clinic operating expenses	-	174
Computer software	6 120	2 985
Consultancy fees	304 403	88 745
Depreciation, amortisation	7 363	3 667
Employee costs	3 348 253	3 227 068
Field accommodation and per diem	462 952	466 860
Field work	4 229	968
Friendly bench	7 903	900
Indirect Cost (F&As)	-	-
Lease rentals- operating lease	54 667	50 675
Leasing	27 399	24 092
Licenses	-	2 329
Medicine and consumables	32 366	-
Monitoring and evaluation	1 890	-
Motor vehicle fuel and oils	114 898	85 745
Motor vehicle expenses	52 629	33 019
Motor vehicle hire	127 331	246 202
Office expenses	6 183	4 955
Office operating costs	34 155	29 242
Participant incentives	110 948	39 987
Peer educator allowances	43 190	-
Peer educator expenses	61 046	30 447
Printing and stationery	90 894	59 642
Professional Services	539	242
PTC education	730	927
Purchase of property, plant and equipment	28 565	39 610
RCZ fees	-	125
RDS training	39 011	75 722
Regulatory fees	5 622	840
Repairs and maintenance		
Balance carried forward	<u>5 080 450</u>	<u>4 621 672</u>

Notes to the financial statements
for the year ended 31 December 2019 (continued)

	2019 USD	2018 USD
Operating expenditure (continued):		
Balance brought down	5 080 450	4 621 672
Secondary school education)	25 489	11 666
Site visit expenses	-	24 447
Staff allowances for programme	7 106	39 958
Stakeholder meetings	159 985	175 516
Sub award costs	10 178	55 686
Survey supplies	4 381	13 478
Teas and cleaning	37 867	74 886
Training and meetings	237 368	184 339
Travel - regional	-	205
Travel- overseas	103 218	96 949
Travel- local	-	1 979
Utilities	5 207	23 916
Vocational training	24 749	13 194
Workshop expenses / venue hire	3	-
	<u>5 721 681</u>	<u>5 338 137</u>

Notes to the financial statements
for the year ended 31 December 2019 (continued)

5 Property and equipment

	Computer equipment USD	Motor vehicles USD	Furniture and fittings USD	Total USD
At 1 January 2018				
Opening carrying amount	2 141	-	5 140	7 281
Depreciation for the year	(2 623)	-	(1 044)	(3 667)
Additions	4 525	-	520	5 045
Reallocated cost	(1 246)	-	1 246	-
Reallocated depreciation	535	-	(535)	-
Carrying amount	<u>3 332</u>	<u>-</u>	<u>5 327</u>	<u>8 659</u>
At 31 December 2018				
Cost or valuation	20 819	-	9 906	30 725
Accumulated depreciation	<u>(16 952)</u>	<u>-</u>	<u>(5 114)</u>	<u>(22 066)</u>
Closing carrying amount	<u>3 867</u>	<u>-</u>	<u>4 792</u>	<u>8 659</u>
At 1 January 2019				
Opening carrying amount	3 867	-	4 792	8 659
Depreciation for the year	(1 908)	(4 411)	(1 044)	(7 363)
Additions	-	37 812	-	37 812
Reallocated cost	-	-	-	-
Reallocated depreciation	-	-	-	-
Carrying amount	<u>1 959</u>	<u>33 401</u>	<u>3 748</u>	<u>39 108</u>
At 31 December 2019				
Cost or valuation	20 820	37 812	9 905	68 537
System adjustments	(367)	-	367	-
Accumulated depreciation	<u>(18 860)</u>	<u>(4 411)</u>	<u>(6 158)</u>	<u>(29 429)</u>
Closing carrying amount	<u>1 593</u>	<u>33 401</u>	<u>4 114</u>	<u>39 108</u>

Notes to the financial statements
for the year ended 31 December 2019 (continued)

	2019 USD	2018 USD
6 Inventory		
Fuel	<u>1 113</u>	<u>4 253</u>
7 Trade and other receivables		
Staff and other receivables	18 064	45 355
Prepayments	<u>16 514</u>	<u>47 467</u>
	<u>34 578</u>	<u>92 822</u>
8 Receivables from donors		
Aidsfond	4 051	2 126
PSI-Strengthening Private Sector Service Programm (COP)	-	44 274
USAID Mullen	-	3 473
UC Berkeley PMTCT	67 304	64 304
PSI-UNITAID STAR Phase 2	86 562	9 453
Bloodbased HIV Self testing + Pricing Study	-	66 777
MRC Fellowship	75 170	-
PSI-Voluntary Medical Male Circumcision	46 052	-
DREAMS Impact Evaluation	99 997	-
PREP-Costing Study	-	12 722
MeSH Consotium - Recency	-	46 361
EC- Maternal Immunisation	55 814	4 422
AFRICAID Third generation	-	5 325
NAC Global Fund Approved Sex work activities	86 485	-
NAC Global Fund Approved Sex work activities	<u>-</u>	<u>65 631</u>
	<u>521 435</u>	<u>324 868</u>
9 Cash and cash equivalents		
Cash at bank	6 389	394 486
Cash on hand	<u>420 884</u>	<u>13 446</u>
	<u>427 273</u>	<u>407 932</u>
10 Trade payables		
Statutory payments	-	7 890
Other	<u>132 988</u>	<u>-</u>
	<u>132 988</u>	<u>7 890</u>

Notes to the financial statements
for the year ended 31 December 2019 (continued)

11 Deferred income	2018 Deferred Income USD	Opening receivables USD	2019 Grants received USD	2019 Deffered income USD
WHO Sex Work Programm	18 609	-	18 500	18 063
Odyssey	-	-	21 232	314
AIDSFOND	109 296	2 126	-	-
Antwerp	7 178	-	95 740	123 353
Building Resilience-SHG	6 264	-	28 639	-
AVAC FELLOW	-	-	-	2 686
PSI-UNITAID STAR Phase 2	-	9 453	913 707	-
Bloodbased HIV Self testing + Pricing Study	-	66 777	376 017	-
AMETHIST Welcome Trust	-	-	459 799	394 361
PSI-Last Mile KPIF	124 788	-	49 700	28 002
PSI-Voluntary Medical Male Circumcision	62 166	-	264 764	-
PSI -DREAMS	-	-	(62 166)	-
PSI-Strengthening Private Sector Service Programm (C)	-	44 274	44 196	-
PSI-Going the Last Mile	7 100	-	764 030	555
DREAMS Impact Evaluation	-	-	116 805	-
PREP-Costing Study	-	12 722	23 002	937
MeSH Consotium - Recency	-	46 361	68 267	-
EC Maternal Immunisation	-	4 422	72 849	-
AFRICAID Third Generation	400	5 325	43 138	-
international Aids Society	-	-	(400)	-
WEI USAID Mullen	249 270	3 473	1 992	-
ViiV Healthcare "Charities Aids Foundation" Zvandiri	-	-	435 379	141 881
UC Berkeley PMTCT	6 486	64 304	-	-
YWSS Health Economics	19 098	-	-	-
Gates Self Help Group Innovation	34 815	-	255 236	-
Elton John AIDS Foundation	-	-	359 800	82 056
UNFPA Spotlight Initiative	13 546	-	29 630	23 351
NAC Microplaning	-	-	-	13 546
NAC Global Fund Approved Sex work activities	60 798	65 631	-	-
NAC Global Fund Approved Sex work activities	-	-	1 170 379	5 900
	<u>719 814</u>	<u>324 868</u>	<u>5 550 235</u>	<u>835 005</u>

12 Contingent liabilities

There are no contingent liabilities that warrant management disclosure.

13 EVENTS AFTER THE REPORTING PERIOD

No adjusting or significant non-adjusting events have occurred between 31 December 2019 and the date of authorisation of these accounts.