



mothers2mothers
Supplementary Combined Financial Statements
December, 31 2019 and December, 31 2018

Amounts in USD

Note: The supplementary combined financial statements for m2m is prepared for information purposes only. It represents unaudited compilation of financial information for mothers2mothers International, mothers2mothers (UK) Limited, and mothers2mothers South Africa NPC. Separate audited financial statements for each of these autonomous non-profit organizations are available upon request or on the website www.m2m.org



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The directors
mothers2mothers South Africa Non-Profit Company
5th Floor, 33 Martin Hammerschlag Way
Foreshore
Cape Town
8001

Dear Sirs

Report of factual findings

To the directors of mothers2mothers South Africa Non-Profit Company

Scope

We have performed the procedures agreed with you and enumerated below with respect to the Supplementary Combined Financial Statements for the period 1 January 2019 to 31 December 2019. Our engagement was undertaken in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements. The responsibility for determining the adequacy of the procedures agreed to be performed is that of the Directors to whom the certificate is addressed.

Procedures

Our procedures were performed solely to assist you; the procedures are summarised as follows:

Obtain the Combined Annual Financial Statements (hereafter referred to as 'Combined AFS') as prepared by mothers2mothers South Africa Non-Profit Company and:

- 1) Obtain the audited annual financial statements (AFS) of the individual entities
- 2) Cast and cross cast the AFS for accuracy
- 3) Agree individual amounts for each country which is used in the preparation of the Combined AFS to the signed AFS of those respective countries
- 4) Agree the final column to the final Combined AFS figures after adjustments.
- 5) Inspect inter-company transactions and determine whether they have been appropriately accounted for as eliminations.
- 6) Perform a reasonability assessment on the exchange rate used to translate the separate AFS to US Dollars.
- 7) Re-perform the translation of the separate AFS to US Dollars.
- 8) Review computations for accuracy.

BDO South Africa Incorporated
Registration number: 1995/002310/21
Practice number: 905526
VAT number: 4910148685

Chief Executive Officer: ME Stewart

A full list of all company directors is available on www.bdo.co.za

The company's principal place of business is at The Wanderers Office Park, 52 Corlett Drive, Illovo, Johannesburg where a list of directors' names is available for inspection. BDO South Africa Incorporated, a South African personal liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Findings

1. With respect to Item 1, we were provided with the underlying working AFS for the three entities, namely mothers2mothers South Africa Non-Profit Company, mothers2mothers UK Limited and mothers2mothers International, Inc. for the year 01 January 2019 to 31 December 2019.
2. With respect to Item 2, we ascertained the mathematical accuracy of the underlying AFS
3. With respect to Item 3, we duly agreed the figures for each country used in the preparation of the Combined AFS to those corresponding figures as contained in the individual audited country financials.
4. With respect to Item 4, we duly agreed the figures in the 'Final' column to those corresponding figures as contained in the final financial statements, after taking into account adjustments.
5. With respect to Item 5, inter-company transactions have been identified by the financial staff of mothers2mothers South Africa Non-Profit Company and the Supplementary Combined Financial Statements for the aforementioned period were inspected, where these inter-company transactions were found to have been appropriately eliminated.
6. With respect to Item 6, the exchange rates used in translation were satisfactorily assessed and found to be reasonable.
7. With respect to Item 7, all exchange rate translations were satisfactorily re-performed.
8. With respect to Item 8, all computations have been re-performed and were found to be arithmetically accurate.

Because the above procedures and findings are not as a result of an engagement in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements, we do not express any assurance on our findings. Had we performed additional procedures or had we performed an assurance engagement in terms of the International Standards referred to in this paragraph, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the items specified above and does not extend to any financial statements of mothers2mothers South Africa Non-Profit Company taken as a whole.

Yours faithfully

BDO South Africa Incorporated

BDO South Africa Incorporated
Registered Auditors

Karlien Groenewald
Director
Registered Auditor

2 December 2020

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Supplementary Combined Financial Statements

STATEMENT OF FINANCIAL POSITION

As at December, 31 2019 and December, 31 2018

Amounts in USD	<u>31-Dec-19</u>	<u>31-Dec-18</u>
ASSETS		
Current Assets		
Cash and cash equivalents	6,433,534	3,665,421
Grants & contributions receivable	2,609,801	2,612,192
Accounts and interest receivable	54,927	48,431
Prepaid expenses	150,925	311,464
Short-term investments	1,146,795	953,141
Total Current Assets	\$ 10,395,982	\$ 7,590,648
Land, buildings and equipment - net	614,175	446,352
TOTAL ASSETS	\$ 11,010,157	\$ 8,037,001
LIABILITIES AND NET ASSETS		
Accounts payable & accrued expenses	1,459,235	2,038,885
Deferred revenue	1,156,415	1,009,670
Exchange Gain/Loss	-	(60,525)
Total current liabilities	\$ 2,615,650	\$ 2,988,029
Net assets:		
Unrestricted	3,460,595	1,106,830
Temporarily restricted	4,933,912	3,942,142
Total net assets	\$ 8,394,507	\$ 5,048,972
TOTAL LIABILITIES & NET ASSETS	\$ 11,010,157	\$ 8,037,001

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STATEMENT OF ACTIVITIES
For the Periods Ending December, 31 2019 and December, 31 2018

Amounts in USD	YTD: December, 31 2019			Y/E: December, 31 2018		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT						
Grants and Contracts						
Government Awards	-	16,273,988	16,273,988	-	10,184,825	10,184,825
Multilateral Awards	-	177,342	177,342	-	251,789	251,789
Corporate/Foundation Awards	6,345	2,993,718	3,000,063	81,440	8,411,837	8,493,277
Contributions						
Individual and Private Donations	2,561,331	-	2,561,331	1,705,630	(1,922)	1,703,708
Corporate Donations	1,899,529	1,966,849	3,866,378	868,755	-	868,755
In-Kind Donations	292,692	117,317	410,009	83,419	-	83,419
Other Income	263,215	458	263,673	75,810	(1,620)	74,191
Net assets released from donor restrictions	20,537,901	(20,537,901)	-	17,512,156	(17,512,156)	-
Total revenue and support	\$ 25,561,013	\$ 991,771	\$ 26,552,785	\$ 20,327,210	\$ 1,332,754	\$ 21,659,964
EXPENSES						
Program Services:						
Country and core programs	20,216,910	-	20,216,910	18,434,801	-	18,434,801
Total program services	\$ 20,216,910	\$ -	\$ 20,216,910	\$ 18,434,801	\$ -	\$ 18,434,801
Supporting Services:						
Management and General	579,016	-	579,016	517,654	-	517,654
Fundraising	2,543,916	-	2,543,916	2,006,016	-	2,006,016
Total supporting services	\$ 3,122,932	\$ -	\$ 3,122,932	\$ 2,523,670	\$ -	\$ 2,523,670
Total expenses	\$ 23,339,842	\$ -	\$ 23,339,842	\$ 20,958,471	\$ -	\$ 20,958,471
Changes in net assets before other items	2,221,172	991,771	3,212,943	(631,261)	1,332,754	701,493
OTHER ITEMS						
Foreign exchange gain/(loss)	132,593	-	132,593	(194,095)	-	(194,095)
CHANGES IN NET ASSETS	\$ 2,353,764	\$ 991,771	\$ 3,345,536	\$ (825,356)	\$ 1,332,754	\$ 507,398

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STATEMENT OF CHANGES IN NET ASSETS
For the Periods Ending December, 31 2019 and December, 31 2018

Amounts in USD	Unrestricted	Temporarily Restricted	Total
Net Assets at December, 31 2017	\$ 2,126,282	\$ 2,609,387	\$ 4,735,669
Change in net assets	(825,356)	1,332,754	507,398
Change in foreign currency translation reserve	(194,095)	-	(194,095)
Net Assets at December, 31 2018	\$ 1,106,831	\$ 3,942,141	\$ 5,048,972
Change in net assets	2,221,172	991,771	3,212,943
Change in foreign currency translation reserve	132,593	-	132,593
Net Assets at December, 31 2019	\$ 3,460,595	\$ 4,933,912	\$ 8,394,507

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Supplementary Combined Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

1. Presentation of Supplementary Combined Financial Statements

The supplementary combined financial statements for m2m is prepared for information purposes only. It represents an unaudited compilation of financial information for mothers2mothers International, mothers2mothers (UK) Limited, and mothers2mothers South Africa NPC.

2. Presentation Currency

The presentation currency of the combined results is the United States Dollar (USD) to align with the requirements of users of the financial statements. The functional currency of mothers2mothers South Africa NPC is the South African Rand (ZAR) and the functional currency of mothers2mothers (UK) Limited is the British Pound (GBP) whilst the functional currency of mothers2mothers International is the United States Dollar (USD). Assets and liabilities are translated at period end rates of exchange and the results of operations are translated at average rates of exchange for the period.

Currency	2019 Average Rate of Exchange	2019 Period end Rate of Exchange
US Dollar	1	1
South African ZAR	14.45	13.98
British Pound	0.79	0.75

3. Ratio Analysis

	2019	2018
Programatic Expenditure	86.62%	87.96%
Management and General	2.48%	2.47%
Fundraising	10.90%	9.57%