



ANNUAL REPORT 2019



AO Alliance educational events

Operating Room Personnel (ORP) course
Dharan, Nepal



Trauma and Orthopedic resident practical teaching course
Lomé, Togo



ORP course
Colombo, Sri Lanka

To our valued supporters: message from the chair and managing director

Five years on, we are pleased to report 2019 was another successful year for the AO Alliance, as we continued local capacity-building programs for the care of the injured in 23 sub-Saharan African and eight Asian low- and middle-income countries (LMICs), together with a devoted and loyal network of trauma and orthopedic healthcare workers (HCW).

During 2019, we made important progress to improve our ability to meet the needs of the local frontline HCW and communities we serve. Our tailored fracture care education programs, along with faculty development curricula, reinforced our reputation in this neglected field of medical education in LMICs. Working closely with our network of over 400 faculty, and with central support from our AO Alliance team, we delivered 120 courses and seminars in 2019, double the 2015 number. Each AO Alliance event trains at least 30 HCW who go on to teach three more. If each HCW treats 10 patients per day, and works 250 days per year, the potential impact to improve fracture care could touch 27 million patients annually.

We further expanded our country initiatives beyond Malawi, Ghana and Ethiopia to include The Gambia. While acknowledging our accomplishments, we realize that if we are to continue to make a difference in caring for the injured in LMICs, we must evolve our strategy and implementation. Our efforts to encourage health ministries to incorporate trauma and injuries in universal healthcare coverage are slowly progressing in the Global South and Asia. Our advocacy efforts for comprehensive trauma care system change are a key engagement to positively shape the environment for those who can't. The Coalition for Dialogue on Africa (CoDA), in which we participate, advances this policy dialogue.

As we embark on a pivotal year in 2020, consolidation and evaluation of our activities will be at the forefront of a challenging environment, which our board and surgeon-led management team understands well. The challenging environment has been made more complex with the advent of the coronavirus disease (COVID-19) pandemic. While many

aspects of this new infection remain uncertain, COVID-19 could have the greatest impact in LMICs where health systems are weak and resources scarce.

"COVID-19 shines a light on our common humanity and shared vulnerabilities, and it is only through a collective, collaborative response that all our essential interests can be served."

Gro Harlem Brundtland, The Elders.

We will continue to nurture alliances, partnerships, and collaboration opportunities such as those offered by the College of Surgeons of East, Central and Southern Africa (COSECSA) to address the neglected epidemic of injuries. We will also continue to develop our supporter base to ensure we have strategic partnerships and stable funding for our activities.

While major progress has been made in improving the health of millions of people and fighting leading communicable diseases in LMICs, the United Nations' Sustainable Development Goal 3 also encourages health improvements for noncommunicable diseases and injuries. We and our partners are committed to achieving better care of the injured and to addressing the growing burden of injuries in LMICs, given there were 4.6 million injury-related fatalities worldwide in 2018. This accounted for 10% of global fatalities, 32% more than the number of fatalities resulting from malaria, TB, and HIV/AIDS combined.

We thank our donors, partners, board of directors and volunteers, along with the AO Alliance staff in Switzerland, Africa and Asia, for their support and dedication. We look forward to continuing to work with all our stakeholders to contribute to a decade of transformation in care of the injured in LMICs.



R. Jeker

Rolf Jeker
Chair of the board



C. MARTIN

Claude Martin jr.
Managing director



Managing director Dr Claude Martin Jr.,
with orthopedic clinical officers
Mangochi, Malawi

VISION



a world where timely and appropriate
fracture care is accessible to everyone

MISSION



to reduce suffering, disability and poverty
in LMICs by enhancing fracture care

OBJECTIVE



to create sustainable local capacity
for the care of the injured

VALUES



passion, collaboration,
integrity, empowerment



ORP course
Kathmandu, Nepal

AO Alliance and the 2030 United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) are a universal call to action to end poverty and ensure prosperity and well-being for all. The AO Alliance is aligned with SDG 3, 10, 16 and 17 to build service-delivery capacity in the care of the injured in LMICs and support just and sustainable communities and institutions.



Ensure healthy lives and promoting well-being for all (includes trauma and injuries).

Target 3.6

Halve the number of global deaths from road traffic injuries by 2020.

The AO Alliance provides fracture care courses in over 30 countries and has established four country initiatives for care of the injured.

Target 3.c

Substantially increase health financing and the recruitment, development, training, and retention of the health workforce in developing countries, especially in the least developed countries and small island developing States.

The AO Alliance sponsors Trauma and Orthopedic (T and O) residents in Malawi, Ghana and Ethiopia to train locally, encouraging them to remain and work in their home countries, reducing costly brain drain.

The AO Alliance collaborates with and supports the Pacific Islands Orthopaedic Association (PIOA) to promote and develop trauma and orthopedic capacity and care in nine islands of the South Pacific.



Addressing inequalities will contribute to promoting peaceful and inclusive societies for sustainable development.

Untreated injuries such as open fractures disproportionately affect impoverished, marginalized, and rural populations, placing them at higher risk of premature death, chronic disability, and loss of economic productivity.

The AO Alliance is assisting countries like Ethiopia with its development strategy currently for five trauma regional reference centers. The overall strategy envisions a further eight centers. This contributes to more equitable access to healthcare services, especially for women and children.



Strengthen the means of implementation and revitalize the global partnership for sustainable development.

Target 17.9

Enhance international support for implementing effective and targeted capacity building in developing countries to support country-specific SDG plans.

Partnerships are essential to scale fracture care solutions and trauma services through a healthcare systems change approach.

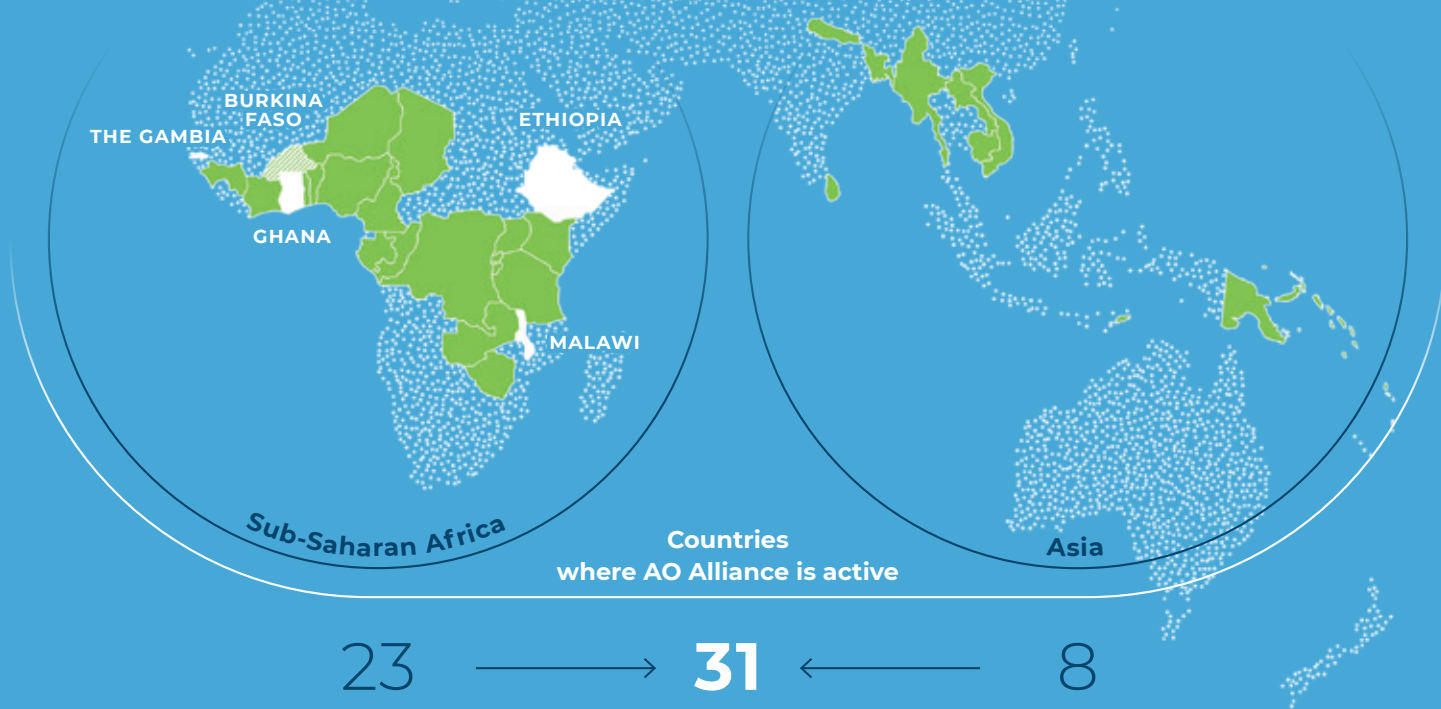
The AO Alliance works with over 15 strategic partners to develop the care of injured ecosystem across the themes of awareness, advocacy and implementation in LMICs.

Sadly, the COVID-19 pandemic hits at a time when many SDGs were gaining traction. As the world focuses on containing the spread of the virus and addressing its negative impacts and the collateral social and economic consequences, the reality is countries are resetting priorities, and reallocating resources to deal with the pandemic.

“The value of COVID-19 is that it gives us a lens to focus on underlying social inequalities in health and other socio-economic areas, as well as an opportunity to co-create more resilient communities and healthcare ecosystems that support a more positive future for us all.”

*Prof. Thuli Madonsela,
Chair of Social Justice, Stellenbosch University, South Africa*

2019 AO Alliance GLOBAL FOOTPRINT



English-speaking

Cameroon*
The Gambia
Ghana
Ethiopia
Kenya
Malawi
Nigeria
Rwanda
Tanzania
Uganda
Zambia
Zimbabwe

French-speaking

Benin
Burkina Faso
Burundi
Cameroon*
Central African Republic
Chad
Democratic Republic of the Congo
Gabon
Guinea
Ivory Coast
Niger
Togo

Bangladesh

Cambodia
Laos
Myanmar
Nepal
Pacific Islands
Sri Lanka
Vietnam

4



Country initiatives
Malawi, Ghana,
Ethiopia, the Gambia

4,859



**Frontline HCW
trained**

1



**Country
needs assessment**
Burkina Faso

142



**Faculty attending
Faculty Education
Programs (FEP)**

120



**Educational
events**

73



**Fellowships
completed**

2019 AO Alliance ACHIEVEMENTS

Progress has been made in improving the health of millions in LMICs in the last decade, increasing life expectancy, reducing maternal and child mortality and fighting against communicable and noncommunicable diseases.

However, this is not happening fast enough to reduce the death and disabilities from injuries: at least half the global population does not have access to essential health services and many suffer undue financial hardship, potentially pushing them into extreme poverty. Through our education programs and in collaboration with our partners to execute our country initiatives, the AO Alliance works to address the growing burden of injuries, tackling this silent and neglected epidemic responsible for 4.6 million injury-related fatalities worldwide in 2018 and countless more associated disabilities. This accounted for 10% of global fatalities, 32% more than the number of fatalities resulting from malaria, TB, and HIV/AIDS combined.

Fracture Solutions for Africa and Asia

Fracture Solutions for Africa and Asia is a three-year education program in its second cycle. Through it, we aim to better the lives of some of the 460 million people in English-speaking Africa and 370 million people in French-speaking Africa and in select Asia-Pacific countries through fracture care education of frontline HCW. We envision the growth of a regional culture of fracture care that prioritizes those in clinical need: a brighter future where a broken bone will no longer become a lifelong burden.



105

Educational events

61 Africa
43 Asia
1 Europe



4,412

HCW trained



124

Faculty

attending 6 FEP



T and O residents (left to right)
at the pre-basic course:
Drs Augustine Kenneth Yaw Oduro,
Julius Abuku and Jennifer Anderson
Accra, Ghana

West Africa Trauma Education Program (WATEP): Nigeria, Ghana and Ivory Coast 2019

The AO Alliance announced a collaboration with the Johnson & Johnson Foundation in 2019 to improve the quality of and access to fracture care in West Africa. The WATEP aims to improve health outcomes by building longer-term local capacity for injury and fracture care. The three-year collaboration provides specialized education and training to national and regional HCW to deliver safe care for the injured.



15

Educational events

7 Nigeria
5 Ghana
3 Ivory Coast



447

HCW trained



18

Faculty

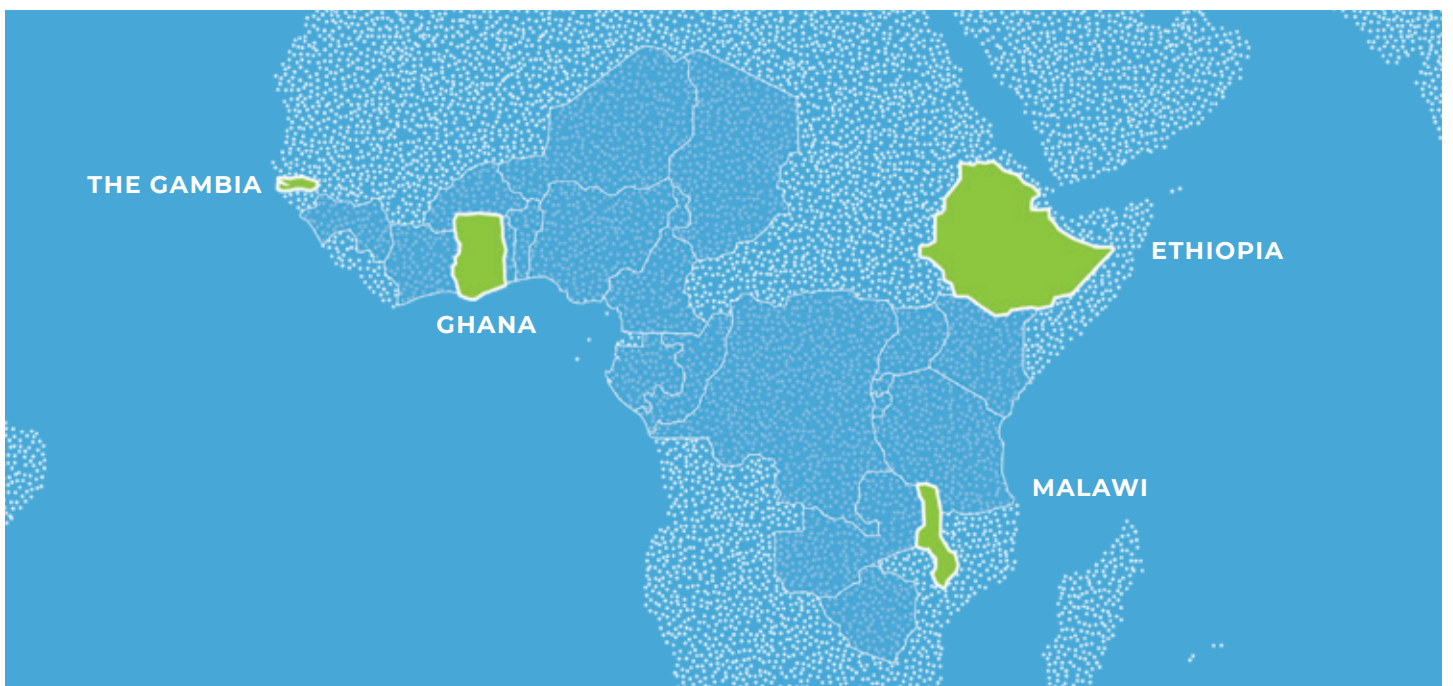
attending 1 FEP



OUR COUNTRY INITIATIVES

The AO Alliance works in LMICs with insufficient healthcare resources to address the treatment of orthopedic and musculoskeletal-related injuries.

We collaborate with over 15 strategic partners to develop the care of the injured ecosystem across the themes of awareness, advocacy and implementation. We currently focus on four countries in sub-Saharan Africa, each involving multi-year programs: **MALAWI** (2016), **GHANA** (2017), **ETHIOPIA** (2018) and **THE GAMBIA** (2019).



Malawi

KEY CITIES ▶

Mzuzu
Nkhata Bay
Lilongwe
Mangochi
Blantyre

2017 figures*

Population: 17.2 million



1,028 Gross Domestic Product
GDP in USD



4.5 Fertility rate
number of children per woman



62 Literacy rate (%)
adults aged 15 and above



42 surgeons



0.24 surgeons per 100,000



11 T and O surgeons

Program Goals and Targets (2016–2020)

Increase local T and O surgeon capacity:
from nine to 18

Increase Malawian doctors in T and O
residency programs: from four to 14

Build two operating theatres at
Queen Elizabeth Central Hospital (QECH),
Blantyre

Conceptualize and co-fund Lilongwe
Institute of Orthopedics and Neurosurgery
(LION)

Establish and fund pilot fracture care
registries at four hospitals

Progress by end of 2019 since program start

Surgeons: **11**

Residents: **10**

Operational since **2018**

Expected operational in **2021**

Since **2017** at Kamuzu Central Hospital, QECH,
Nkhata Bay and Mangochi District Hospitals

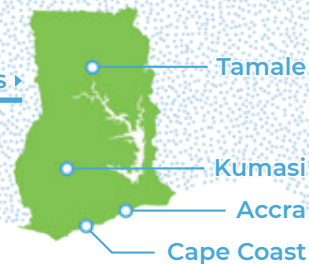
Four young Malawian national trauma and orthopedic staff surgeons, QECH (left to right): Vincent Lewis Mkochi, Chikumbutso Clara Mpanga-Munthali, Nohakhelha Tukhuwa Nyamulani, and Kaweme Mwafulirwa
Blantyre, Malawi



Aerial view of the LION (October 2019)
Lilongwe, Malawi

Ghana

KEY CITIES ▶



2017 figures*

Population: 30.2 million



3,966

Gross Domestic Product
GDP in USD



3.5

Fertility rate
number of children per woman



79

Literacy rate (%)
adults aged 15 and above



263

surgeons



0.73

surgeons per 100,000



50

T and O surgeons

Program Goals and Targets (2017–2021)

Pediatric Fracture Solutions for Ghana:
Improving fracture care and injury prevention

Establish a sub-Saharan hub in Accra
for AO Alliance operative courses equipment

Increase Ghanaian T and O residency
programs

Increase Ghanaian doctors taking up
T and O residency programs

Establish first plaster technician orthopedic
training school in Ghana (Accra)

Establish and fund trauma registries at
four hospitals

Progress by end of 2019 since program start

HCW trained to treat pediatric fractures: **720**
Clinical research projects: **6**
Public awareness campaigns: **5**
Injury prevention protocols: **4**
Faculty education programs: **4**

Workstations for sub-Saharan countries: **30**

Cape Coast Teaching Hospital (CCTH),
Tamale Teaching Hospital (TTH): **2**

Residents: **4**

First class intake in 2019: **17**

CCTH, TTH, Komfo Anokye Teaching Hospital,
Korle-Bu Teaching Hospital



First-year T and O resident
Dr John Daleku
at the pre-basic course
Accra, Ghana



Participants at pre-basic course for junior residents
Accra, Ghana

Ethiopia

KEY CITIES ▶



2017 figures*

Population: 102.9 million



1,715

Gross Domestic Product
GDP in USD



4.8

Fertility rate
number of children per woman



52

Literacy rate (%)
adults aged 15 and above



392

surgeons



0.41

surgeons per 100,000



66

T and O surgeons

Program Goals and Targets (2018–2022)

Develop five Regional Reference Centres outside Addis Ababa

Provide first-year T and O residents with access to operative fracture care courses

Provide senior T and O residents with access to pediatric orthopedic proficiency

Establish and fund trauma registries at two hospitals

Collaborate with Ethiopian Society of Orthopaedics and Traumatology (ESOT) to strengthen T and O capacity

Support workforce culture embracing excellence and accountability through COSECSA

Progress by end of 2019 since program start

Hawassa, Bahir Dar, Harar, Gondar, Hosaena

Residents from all four national residency training programs: **100**

CURE Ethiopia Children's Hospital pediatric orthopedic teaching for residents: **24**

Hawassa University Referral Hospital, AaBET Hospital (Addis Ababa)

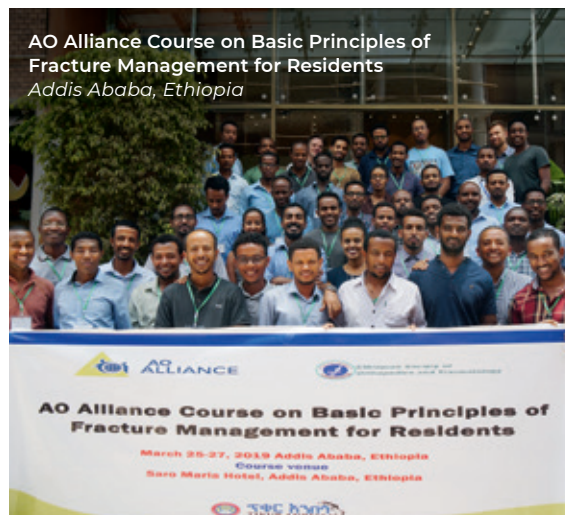
Starter equipment sets (Naton Medical Group) donated to newly graduated T and O surgeons: **15**

Senior residents passing COSECSA T and O Fellowship examination: **40**

Ethiopia County Initiative steering team
Addis Ababa, Ethiopia



AO Alliance Course on Basic Principles of Fracture Management for Residents
Addis Ababa, Ethiopia



* Institute for Health Metrics and Evaluation

2019 STEERING COMMITTEE MEETING
AO ALLIANCE ASIA FRACTURE SOLUTIONS PROJECT

AO Alliance ACTIVITIES IN ASIA-PACIFIC

Fracture Solutions for Asia

Continents are very different; cultures vary and so do the needs of the injured populations. The AO Alliance activities in Asia, although fewer in numbers, contribute to advancing our vision and mission.

Our flagship education program, Fracture Solutions for Asia, has been implemented with great success in seven Asia-Pacific countries. More complex fracture care education was delivered in three countries in 2019: pelvis and acetabulum in Bangladesh, foot and ankle in Nepal, and pediatric fracture care in Laos.


AO Alliance operative course
Dhaka, Bangladesh



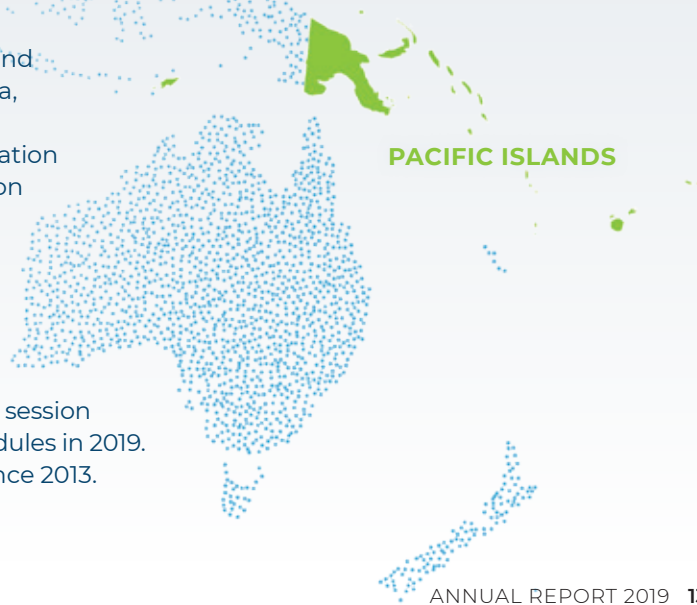
PIOA Director of training Dr Des Soares (third from the right) supervises Dr Raymond Saulep (Papua New Guinea) on the use of the SIGN nail system. Other PIOA trainees (left to right): Pita Sovanivalu (Fiji), Felix Diaku (Papua New Guinea), Kabiri Itaka (Kiribati) and Johnny Hedson (Federated States of Micronesia).
Honiara, Solomon Islands

The AO Alliance supports the Pacific Islands Orthopaedic Association (PIOA)

The PIOA was created to develop and promote orthopedic surgical care in the South Pacific Islands. We continue to collaborate with the PIOA since 2015.

The association was established in Honiara, Solomon Islands in 2012, and now has trainees from nine Pacific Island countries (Papua New Guinea, Solomon Islands, Fiji, Samoa, American Samoa, Kiribati, Federated States of Micronesia, Timor Leste, and Vanuatu). The Pacific Islands have a population of 10 million—Papua New Guinea has the largest population with 7 million—with limited orthopedic services and large volumes of injuries following road traffic accidents, and violence often involving machetes.

The PIOA training program is completed over a three-year period. Face-to-face modules are delivered twice a year. The modules consist of ward rounds, lectures, and practical session using artificial bones. Nineteen surgeons attended the modules in 2019. Five trainees have passed the certification examination since 2013.



AO Alliance

Board of Directors

Chair – **Rolf Jeker**
Vice-chair – **Nikolaus Renner**
Members – **Jean-Daniel Gerber, Tobias Hüttli, Abdoulie Janneh, Manjul Joshipura**
Advisors – **Jim Harrison, Ram K. Shah**

Management

Claude Martin jr. – Managing director
Cinzia Muggiasca – Finance and operation manager
Polly Buehler – Senior project manager
Carla O'Donnell – Communication manager
Angela Weber – Project assistant

Our supporters and partners are the heart of the AO Alliance

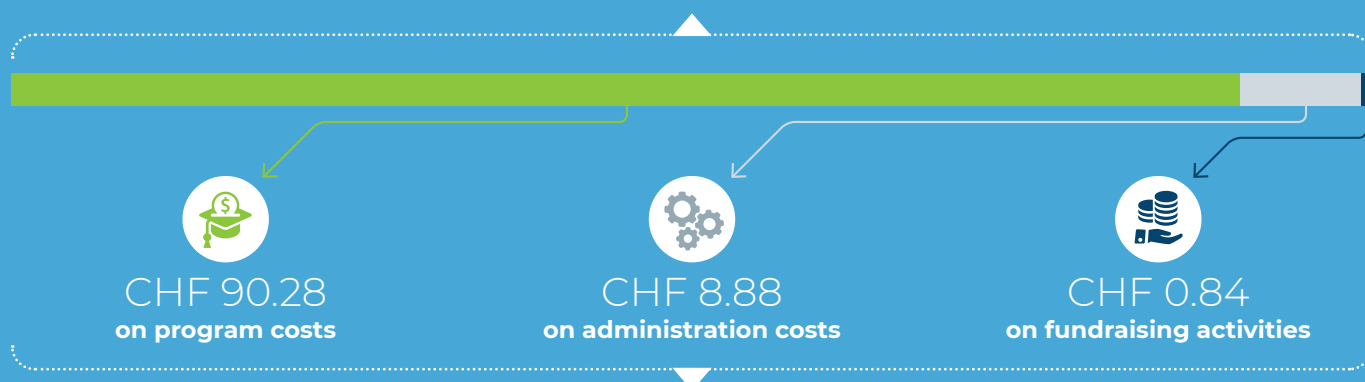
We would like to especially thank **AO Foundation**, the **Hansjörg Wyss Foundation**, **Medicor Foundation**, the **Johnson & Johnson Foundation**, and all our other partners and donors, who make our work possible.

Stewardship of resources

Fiscal responsibility and accountability are critical aspects of the AO Alliance's stewardship model. BDO Ltd. Chur audits the AO Alliance annually.

How your **CHF 100**

donation to the AO Alliance Foundation was spent in 2019



Your donation is changing the lives of the injured every day. Donations to the AO Alliance Foundation are tax deductible in Switzerland. For donations from individuals or organisations outside Switzerland, please contact us.

DONATE

Partner with us to care for the injured.
IBAN code: CH33 0483 5114 9458 6100 0
ao-alliance.org/donate/

2019 FINANCIAL STATEMENTS

The annual audit is carried out according to
Swiss GAAP FER by BDO Ltd. Chur.





Phone +41 81 403 48 48
Fax +41 81 403 48 49
www.bdo.ch

BDO AG
Comercialstrasse 32
7000 Chur
Switzerland

Report of the statutory auditor on the limited statutory examination
To the Board of Foundation of

AO Alliance Foundation, Davos

As statutory auditor, we have examined the financial statements (balance sheet, income statement, cash flow statement, statement of changes in equity and notes) of AO Alliance Foundation for the financial year ended 31 December 2019.

These financial statements in accordance with Swiss GAAP FER and the requirements of Swiss law and the articles of foundation, foundation deed and regulations are the responsibility of the Board of Foundation. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements do not give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and do not comply with Swiss law and the articles of foundation, foundation deed and regulations.

Chur, 6 March 2020

BDO

Paul Kumin
Auditor in Charge
Licensed Audit Expert

ppa. Natalie Gamper
Licensed Auditor

Enclosure
Financial statements

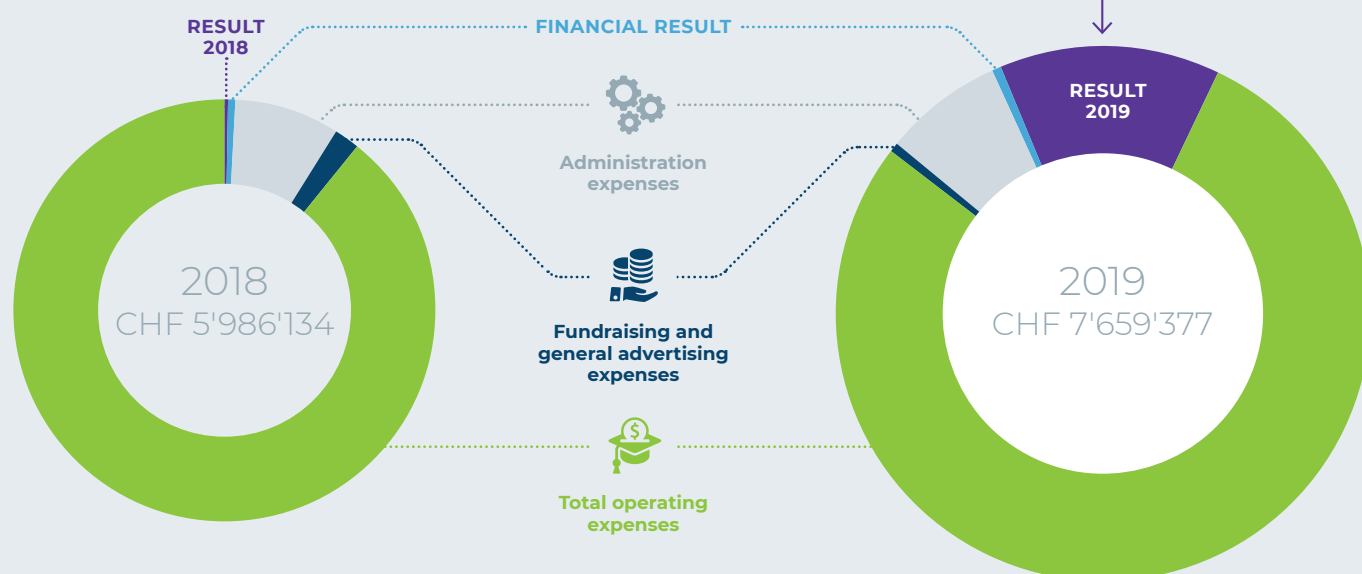
BDO Ltd, a limited company under Swiss law, incorporated in Zurich, forms part of the international BDO Network of independent member firms.

1 Balance Sheet

	Notes	31.12.2018		31.12.2019	
		CHF	%	CHF	%
ASSETS					
CURRENT ASSETS					
Cash	6.1	2'350'523	82.7	5'536'177	97.9
Receivables	6.2	78'999	2.8	40'969	0.7
Other receivables		21'540	0.8	0	
Prepayments		57'459	2.0	40'969	0.7
Prepaid expenses & accrued income	6.3	411'923	14.5	80'392	1.4
Total current assets		2'841'445	100.0	5'657'538	100.0
NON-CURRENT ASSETS					
Financial investments		0		0	
Subsidiaries		0		0	
Property, plant & equipment		0		0	
Total non-current assets		0		0	
TOTAL ASSETS		2'841'445	100.0	5'657'538	100.0
LIABILITIES & EQUITY					
LIABILITIES					
Accounts payable	6.4	364'538	12.8	757'754	13.4
Other short-term payables (interest-free)	6.5	458'456	16.1	1'494'584	26.4
Accrued liabilities	6.6	976'314	34.4	1'356'466	24.0
Total short-term liabilities		1'799'307	63.3	3'608'803	63.8
Total liabilities		1'799'307	63.3	3'608'803	63.8
EQUITY	4				
Initial capital		55'000	1.9	55'000	1.0
Retained earnings		986'462	34.7	987'138	17.4
Profit for the year		676	0.0	1'006'597	17.8
Total Equity		1'042'138	100.0	2'048'735	36.2
TOTAL EQUITY AND LIABILITIES		2'841'445	272.7	5'657'538	100.0

2 Profit & loss

		2018		2019		Variance
	Notes	CHF	%	CHF	%	CHF
OPERATING REVENUE						
Grants	6.7	5'986'134	100.0	7'659'377	100.0	1'673'243
OPERATING EXPENSES						
Total operating expenses	6.8	5'340'142	89.2	6'005'593	78.4	665'451
Country initiatives		2'291'294		2'220'644		-70'650
Fracture Solutions Projects		1'817'019		2'485'010		667'991
Other		1'231'828		1'299'938		68'110
Fundraising and general advertising expenses	6.9	113'911	1.9	56'134	0.7	-56'776
Administration expenses	6.10	491'583	8.2	551'671	7.2	60'088
Operational result		40'498	0.7	1'045'978	13.7	1'005'480
FINANCIAL RESULT						
Other financial income		25'688	0.4	710	0.0	-24'978
Other financial expense		-65'510	-1.1	-40'092	-0.5	25'419
Financial result	6.11	-39'822	-0.7	-39'381	-0.5	441
RESULT FOR THE YEAR		676	0.0	1'006'597	13.1	1'005'921



3 Cash flow statement

in CHF	2018	2019
A. OPERATING ACTIVITIES		
Profit for the year	676	1'006'597
Variance of provisions	0	0
Variance of deferred tax liabilities	0	0
Depreciation and amortization	0	0
Cash flow	676	1'006'597
Increase / decrease of receivables	26'213	38'030
Increase / decrease of prepaid expenses & accrued income	454'196	331'531
Increase / decrease of accounts payable	-421'683	393'216
Increase / decrease of other short-term liabilities	87'153	1'036'128
Increase / decrease of accrued liabilities	313'818	380'152
Cash flow from operating activities	460'372	3'185'654
B. INVESTING ACTIVITIES		
Investments in financial assets	0	0
Disposal of financial assets	0	0
Investments in subsidiaries	0	0
Disposal of subsidiaries	0	0
Investments in property, plant & equipment	0	0
Disposal of property, plant & equipment	0	0
Cash flow from investing activities	0	0
C. FINANCING ACTIVITIES		
Foundation capital	0	0
Cash flow from financing activities	0	0
D. NET INCREASE / DECREASE IN CASH	460'372	3'185'654
E. NET INCREASE / DECREASE IN CASH		
Cash & cash equivalents per 1.1.	1'890'151	2'350'523
Cash & cash equivalents per 31.12.	2'350'523	5'536'177
Net increase / decrease	460'372	3'185'654

4 Statement of changes in equity

	As of 1.1.	Allocation	Dividends	Result for the year	As of 31.12.
in CHF					
Total equity 01.01.2018					
Foundation capital	55'000				55'000
Earnings carried forward	1'272'419			676	1'273'095
Total equity 31.12.2018	1'327'419	0	0	676	1'328'095
Foundation capital	55'000				55'000
Earnings carried forward	1'273'095			1'006'597	2'279'692
Total equity 31.12.2019	1'328'095	0	0	1'006'597	2'334'692

5 Notes

1 General Information

AO Alliance Foundation has its registered and principal offices at Clavadelerstrasse 8, 7270 Davos Platz, Switzerland.

2 Basis of preparation

The financial statements have been prepared on the historical cost basis in accordance with Swiss GAAP FER, Swiss GAAP FER 21, and comply with the requirements of the Swiss law. The principle of individual valuation has been applied to assets and liabilities. The financial statements were authorized for issue by the Board of Directors at its spring 2020 meeting.

3 Accounting Policies

The financial statements are presented in Swiss Francs (CHF), which is the functional currency of AO Alliance Foundation.

3.1 Foreign Currency

Transactions in foreign currencies are translated to CHF at exchange rates at the dates of the transactions. At year-end, monetary assets and liabilities in foreign currency are measured using the exchange rate valid at the balance sheet date. Exchange differences from such valuation are recognized in profit or loss.

The following year-end exchange rates were applied:

EUR / CHF	1.127 (2018)	1.087 (2019)
USD / CHF	0.986 (2018)	0.968 (2019)

3.2 Impairments of assets

Assets are reviewed at each reporting date to determine whether

there is any indication of impairment. An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. No impairments are recognized per 31.12.2019.

3.3 Cash

Cash and cash equivalents comprise cash in bank and post accounts and petty cash. These positions are valued at nominal value.

3.4 Receivables

Accounts receivables are carried at nominal value less allowance for doubtful receivables. The allowance is based on the aging of trade receivables, specific risks and historical loss experience. No provision for doubtful receivables is recognized per 31.12.2019.

3.5 Prepaid expenses & accrued income

Short term accruals are liabilities that are due but not yet billed at the balance sheet date and that arise due to goods and services already received. They are assessed individually based on quotations, offers or experience. Short term accruals also contain accrued income on projects and studies.

3.6 Revenue

Revenue is recognized at the fair value of the consideration received or receivable, net of discounts. The source of revenue of AO Alliance Foundation is based on donations. The income recognized is either in cash or can also be as in-kind donation.

6 Details to positions of the financial statements

6.1 Cash

Cash consists of bank accounts in CHF. The increase from last year is primarily due to a legacy and to received restricted donations where the projects will be completed only in the following year.

6.2 Receivables

This category includes prepaid expenses for educational courses that will be held in the following financial year. The amount is stable as we follow the same course calendar schedule as in prior year.

6.3 Prepaid expenses and accrued income

This position reflects part of the revenue where donors have committed to specific projects but not yet paid. The decrease from the prior year is reflected in the cash position as the accrued income from last year has been paid by donors.

6.4 Accounts payable

The increase on accounts payables compared to the prior year is due to several educational courses that have been taken place during the month of December 2019 and were only billed at year end.

6.5 Other short-term payables

This position includes prepayments from donors for the following financial year. This donors' prepayments are restricted and dedicated to specific projects. The 2019 restricted funds prepayments are split as follows: *Country Initiatives*: CHF 633'245; *Fracture Solutions Projects*: CHF 317'670; *Other Projects*: CHF 544'345. The increase is mainly due to delays in the execution of some projects and the payout of the costs for the hospital construction in Malawi.

6.6 Accrued liabilities

The main driver of the year to year variance is an accrual for the participation on the construction of a hospital in Malawi and an accrual for the training of residents in Malawi.

6.7 Grants

The source of revenue of AO Alliance is based on donations. As of 31 December 2019, 56% of the donation (CHF 4'292'283)

were restricted to specific projects (2018: 58% respectively CHF 3'449'494) and 44% (CHF 3'367'094) were unrestricted donations (2018: 42% respectively CHF 2'536'640). As of 31 December 2019, we received an in-kind donation in the amount of CHF 227'110 (2018: CHF 301'293). The material donated was directly sent to our projects in different countries. The year to year increase is mainly due to a generous legacy received (CHF 650'000) and to a new collaboration to support the care of the injured in West Africa. The restricted donations were made to finance the following projects: *Country Initiatives*: CHF 1'658'108; *Fracture Solutions Projects*: CHF 1'667'955; *Other Projects*: CHF 966'220.

6.8 Operational expenses

This position covers the costs for more than 120 educational courses (2018: 100 courses) throughout Africa and Asia, Clinical Services Support, Fellowships, Faculty development as well as grants for in-kind support of hospitals and costs for local personnel where we have substantial projects (country initiatives) that need an onsite presence in order to oversee all the activities.

6.9 Fundraising expenses

This costs decreased compared to prior year due to savings on marketing and communication as they can now be dealt in-house.

6.10 Administration expenses

All expenses are recorded under the accrual principle. The personnel expenses is stable compared to prior year. The year to year increase is due to the purchase of a new software.

- The total amount of remunerations to the Board was CHF 36k (2018: CHF 47k)
- The total amount of remunerations to the management was CHF 410k (2018: 359K) and is allocated between project expenses and general administration expenses.

6.11 Financial result

The financial result is due to foreign exchange fluctuations as we are paying most of our costs in USD and EUR.

7 Further information*

7.1 Employee benefits (FER 16)

The Employees of the AO Alliance Foundation are included in a collective pension plan in accordance with the Swiss federal Law on occupational retirement, survivors' and disability pension plan (BVG). The pension arrangement contractually excludes any deficit to be transferrable to AO Alliance and the pension plan institution is fully reinsured concerning the arising liability from the arrangement. Any surplus of the pension plan is immediately credited to the pension plan of the insured employees. The pension contribution

for the financial year 2019 was CHF 47K (2018: CHF 47k).

7.2 Number of employees (full time equivalents)

Per 31 December 2019, the weighted average full time equivalents are between 1 and 10.

7.3 Liabilities towards social security and pension plans

None.

7.4 Subsequent events

At the date of issue of the financial statements no subsequent events have occurred.

Acronyms

AIDS	Acquired Immune Deficiency Syndrome
AO	Arbeitsgemeinschaft für Osteosynthesefragen (Association for the Study of Internal Fixation)
CHF	Swiss Francs
CoDA	Coalition for Dialogue on Africa
COSECSA	College of Surgeons of East, Central and Southern Africa
COVID-19	Coronavirus disease
ESOT	Ethiopian Society of Orthopaedics and Traumatology
FEP	Faculty Education Program
GDP	Gross Domestic Product
HIV	Human Immunodeficiency Virus
HCW	Healthcare worker
LION	Lilongwe Institute of Orthopedics and Neurosurgery
LMIC	Low- and middle-income country
ORP	Operating Room Personnel
PIOA	Pacific Islands Orthopaedic Association
QECH	Queen Elizabeth Central Hospital
RRC	Regional Reference Center
TB	Tuberculosis
SDG	Sustainable Development Goal
T and O	Trauma and Orthopedics
WATEP	West Africa Trauma Education Program





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HEADQUARTERS

AO Alliance Foundation
Clavadelstrasse 8
7270 Davos, Switzerland
info@ao-alliance.org