RAAS

RAINWATER ASSOCIATION OF SOMALIA

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 DECEMBER 2018

07/04/2019

RAINWATER ASSOCIATION OF SOMALIA
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FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 DECEMBER 2018

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ORGANIZATION INFORMATION

Board Members:	Nimco Hassan Abdullaahi	Board Chairlady
	Malyun Dahir Salad	Vice Chairlady
	Ahmed Mohamud Abdi	Secretary
	Hamdi Aweys Mohamed	Treasurer
	Hani Abdi Mohamud	Assistant Treasurer

Registered Office:

Makah-Al-Mokarama street
opposite Makah-Al-Mokarama Hotel
Annex to Kuwait Place
Waabari District
Mogadishu - Somalia

Bankers:

Dahabshil Bank
Mogadishu
Somalia

Auditors:

Muita Njoroge & Associates
Certified Public Accountants
P.O. Box 46773 - 00100
Nairobi

REPORT OF THE BOARD

The Board present their report together with the audited accounts for the year ended 31 December 2018 which disclose the state of affairs of the organization as follows: -

1. PRINCIPAL ACTIVITIES

- To enhance the capacity of the beneficiary communities with the aim of broadening their participation in project planning, implementation, monitoring and evaluation in order to ensure ownership, sustainability, as well as uphold transparency and accountability to both of the beneficiary communities, government and donors.
- To promote and implementation of community based projects on integrated RHM systems and complementary livelihood diversification technologies to improve food security and environmental sustainability
- To support the existing traditional ruling systems and community based conflict resolution mechanisms linking to the conventional role of laws and good governance at all levels to ensure a sustained peace and stability making possible a sustainable livelihoods and socio-economic developments equal to all
- To promote publicity, advocacy, networking, collaboration, technology dissemination, trainings and research that leads to the development of an appropriate policies, strategies and guidelines of integrated RHM and complementary livelihood diversification technologies in Somalia.

2. RESULTS

The Organization's financial position and results are set out on pages 7 to 10 of this report.

3. BOARD

The members who served in the Board of the organization during the year are listed on page 3 of this report.

4. AUDITORS

M/s Muita Njoroge & Associates served as auditors of the organization during the year and have expressed their willingness to continue in office.

By order of the Board of the Board,

RAINWATER ASSOCIATION OF SOMALIA RAAS

.....
Chairperson

Date: ..07..../..04.../2019

STATEMENT OF THE BOARDS' RESPONSIBILITIES

The Organization's constitution requires the Board to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Organization as at the end of the financial year and of its operating results for that year. It also required that the Board ensure that the Organization keeps proper accounting records that disclose with reasonable accuracy, at any time, the financial position of the Organization. They are also responsible for safeguarding the assets of the Organization.

The Board accepts responsibility for the annual financial statements that have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and the requirements of the relevant Act. The Board are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Organization and its operating results. The Board further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

Signed for and on behalf of the Board on ...07.../...04.../2019 by: -

.....

Chairperson

RAINWATER ASSOCIATION OF SOMALIA RAAS

.....

Chief Executive Officer/Secretary

MUITA NJOROGE & ASSOCIATES

Certified Public Accountants
P.O. Box 48418 - 00100 GPO, Nairobi

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF RAINWATER ASSOCIATION OF SOMALIA

We have audited the accompanying Financial Statements set out on pages 7 to 10 of Rainwater Association of Somalia (RaAS), which comprise the Statement of Financial Position as at 31 December 2018 and the Statement of Comprehensive Income, Statement of Funds Flow and the Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory notes. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.

BOARD'S RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Board is responsible for the preparation of the Financial Statements in accordance with Generally Acceptable Accounting Principles (GAAPS), SORAPS (where applicable) and International Financial Reporting Standards (IFRS) (where applicable). The responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements statement that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITIES

Our responsibility is to express an independent opinion on these financial statements based on our audit and to report our opinion to you.

We conducted our audit in accordance with International Standards on Auditing (ISA). 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 misstatements.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls 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, as well as evaluating the overall financial statements presentation.

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

OUR OPINION

In our opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of the organization for the twelve months ended 31 December 2018 and of its surplus/ (deficit) and cash flows for the year then ended in accordance with Generally Acceptable Accounting Principles (GAAPS), SORAPS (where applicable) and International Financial Reporting Standards (IFRS) (where applicable).

MUITA NJOROGE & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS K
P.O. Box 48418 - 00100
NAIROBI

Muita Njoroge & Associates
Certified Public Accountants

Date: 02/04/2019

RAINWATER ASSOCIATION OF SOMALIA

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

STATEMENT OF COMPREHENSIVE INCOME

	Sch.	2018 US$	2017 US$
Income			
General grants/donations	A	308,923.78	405,776.52
Total income		**308,923.78**	**405,776.52**
Expenditure			
Administrative Costs	B	86.23	184.37
UNICEF-SOM/PCA 2018 155/PD2018-2019	C	-	-
WFP Project Programme Costs	D	116,476.00	54,638.00
UNICEF PD-SCZ-2016-9117 Programme Costs	E	121,401.00	223,696.00
UNICEF PD-SCZ-2016-9107 Programme Costs	F	68,847.20	137,692.20
FAO - LOA - 29/2017 Programme Costs	G	-	35,820.00
Total Expenditure		**306,810.43**	**452,030.57**
Surplus/(Deficit) for the Year		**2,113.35**	**(46,254.05)**

RAINWATER ASSOCIATION OF SOMALIA

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

STATEMENT OF FINANCIAL POSITION

	Note	2018 US$	2017 US$
Property and equipment	2	**127,921.30**	**157,338.63**
Current assets			
Cash and cash equivalents	3	49,816.17	47,702.82
		49,816.17	**47,702.82**
Net current assets		**49,816.17**	**47,702.82**
Total assets		**177,737.47**	**205,041.45**
Financed by:-			
Fixed assets fund	4	127,921.30	157,338.63
Funds balances	3	49,816.17	47,702.82
Total		**177,737.47**	**205,041.45**

The financial statements were approved by the Board on 07/04/2019 and signed on its behalf by: -

Chairperson: .....

RAINWATER ASSOCIATION OF SOMALIA RAAS

Treasurer: .....

STATEMENT OF CHANGES IN FUND BALANCES

Year ending 31.12.2017

	Fixed assets fund	Funds balances	Total
	US$	*US$*	*US$*
As at 01.01.2017	195,733.95	93,956.87	289,690.82
Additions/(Reductions)	(38,395.32)	(46,254.05)	(84,649.37)
As at 31.12.2017	**157,338.63**	**47,702.82**	**205,041.45**

Year ending 31.12.2018

	Fixed assets fund	Funds balances	Total
	US$	*US$*	*US$*
As at 01.01.2018	157,338.63	47,702.82	205,041.45
Additions/(Reductions)	(29,417.33)	2,113.35	(27,303.98)
As at 31.12.2018	**127,921.30**	**49,816.17**	**177,737.47**

STATEMENT OF FUNDS FLOW

	2018 US$	2017 US$
Cash flow from operating activities		
Net surplus/(deficit) for the year	2,113.35	(46,254.05)
Operating surplus/(deficit) before working capital changes	2,113.35	(46,254.05)
Net cash used in operating activities	2,113.35	(46,254.05)
Investing activities		
Net cash used in investing activities	-	-
Net increase/(decrease) in cash flows	2,113.35	(46,254.05)
Cash and cash equivalents: Beginning	47,702.82	93,956.87
Cash and cash equivalents: Ending	49,816.17	47,702.82

The notes and schedules on pages 11 to 15 are an integral part of these accounts.

NOTES TO THE FINANCIAL STATEMENTS

1. **SIGNIFICANT ACCOUNTING POLICIES**

a) **Basis of Accounting**
The accounts have been prepared under the Historical Cost Convention.

b) **Basis of Accounting for Income and Expenditure**
Income is accounted for on cash basis when the grants are formally drawn or income received. Expenditure for funds is also accounted for on cash basis for the current year as is required of fund accounting.

c) **Fixed Assets and Depreciation**
Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided for on a reducing balance basis at rates designed to write off the assets over their estimated useful lives at the following rates: -

Office furniture and equipment	12.50%
Computers and accessories	30.00%

d) **Impairment**
Comparative figures of the previous year(s) have been altered where necessary so as to comply with the relevant accounting standards and the current policies of the organization.

e) **International Accounting Standards**
At each balance sheet date, the organization reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the organization estimates the recoverable amount of the cash generating unit to which the asset belongs.

Any impairment losses are recognized as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss is recognized as an income immediately.

f) **Depreciation**
Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided for on a reducing balance basis at rates designed to write off the assets over their estimated useful lives at the following rates: -

g) **International Accounting Standards**
Comparative figures of the previous year(s) have been altered where necessary so as to comply with the relevant accounting standards and the current policies of the organization.

h) **Currency**
These reports have been presented in US Dollars (US$) unless where otherwise stated.

i) **International Accounting Standards**
Comparative figures of the previous year(s) have been altered where necessary so as to comply with the relevant accounting standards and the current policies of the organization.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. PROPERTY AND EQUIPMENT

	Office furniture and equipment 12.50%	Computer equipment 30.00%	Total
Cost/Valuation	*US$*	*US$*	*US$*
At 01.01.2017	246,760	479,785	726,545
Additions	-	-	-
Disposals	-	-	-
At 31.12.2017	246,760	479,785	726,545
At 01.01.2018	246,760	479,785	726,545
Additions	-	-	-
Disposals	-	-	-
At 31.12.2018	246,760	479,785	726,545
Depreciation			
At 01.01.2017	130,618	400,193	530,811
Charge for the year	14,518	23,878	38,395
Adjustments	-	-	-
At 31.12.2017	145,136	424,071	569,206
At 01.01.2018	145,136	424,071	569,206
Charge for the year	12,703	16,714	29,417
Adjustments	-	-	-
At 31.12.2018	157,839	440,785	598,624
Net book value			
As at 31.12.2018	88,921	39,000	127,921
As at 31.12.2017	101,624	55,714	157,339

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. CASH AND CASH EQUIVALENTS

	2018	2017
	US$	*US$*
Dahabshil Pvt Account - 10443	49,778.61	47,692.92
Cash in hand (Unverified)	37.56	9.90
Total	49,816.17	47,702.82

4. FIXED ASSETS FUND

	US$	*US$*
Balance brought forward	157,338.63	195,733.95
Additions	-	-
Depreciation current year	(29,417.33)	(38,395.32)
Balance carried forward	127,921.30	157,338.63

5. SCHEDULES TO THE STATEMENT OF COMPREHENSIVE INCOME

A. Income

	2018	2017
	US$	*US$*
UNICEF-SOM/PCA 2018 155/PD2018-2019	53,860.00	-
WFP-CP Project 2017-2019	128,239.38	26,487.72
UNICEF PD-SCZ-2016-9117	51,478.00	223,696.00
UNICEF PD-SCZ-2016-9107	68,846.40	137,692.80
FAO - LAO - 29/2017	6,500.00	17,900.00
Total	**308,923.78**	**405,776.52**

B. Administrative Costs

	US$	*US$*
Bank charges	86.23	184.37
Total	86.23	184.37

C. WFP Project Programme Costs

	US$	*US$*
Land side transport and handling	25,155.00	16,824.00
Management and administration fees	16,545.00	-
Recurring costs	6,750.00	5,480.00
Staff costs - warehouse	21,920.00	1,200.00
Staff costs - casuals	14,514.00	1,080.00
Staff costs - management	15,192.00	15,510.00
Transport and distribution	16,400.00	14,544.00
Total	**116,476.00**	**54,638.00**

D. WFP Project Programme Costs

	US$	*US$*
Land side transport and handling	25,155.00	16,824.00
Management and administration fees	16,545.00	-
Recurring costs	6,750.00	5,480.00
Staff costs - warehouse	21,920.00	1,200.00
Staff costs - casuals	14,514.00	1,080.00
Staff costs - management	15,192.00	15,510.00
Transport and distribution	16,400.00	14,544.00
Total	**116,476.00**	**54,638.00**

E. UNICEF PD-SCZ-2017-9117 Programme Costs

	US$	US$
Bank charges	-	4,624.00
Equipment costs	1,076.00	1,052.00
Other expenses	2,375.00	6,100.00
Staff costs	80,270.00	137,640.00
Training	2,040.00	12,560.00
Transport	33,640.00	57,720.00
Travel	2,000.00	4,000.00
Total	**121,401.00**	**223,696.00**

SCHEDULES TO THE STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

F. UNICEF PD-SCZ-2017-9107 Programme Costs

	2018 US$	2017 US$
HC/Utility costs		
Airtime and internet costs	3,900.00	7,800.00
Electricity and water	1,947.20	3,892.20
Sub total	**5,847.20**	**11,692.20**
Staff costs	**40,440.00**	**80,880.00**
Transport		
Car rental	21,600.00	43,200.00
Transportation of supplies	960.00	1,920.00
Sub total	**22,560.00**	**45,120.00**
Total	**68,847.20**	**137,692.20**

G. FAO - LOA - 29/2018 Programme Costs

	US$	US$
Human Resources	-	20,700.00
Transport and Travel	-	8,960.00
Operational Costs	-	3,320.00
Other Expenses	-	2,840.00
Total	**-**	**35,820.00**