

Registered number 02658932

PENHA
REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31st DECEMBER 2018

Registered Charity No. 1038957

PENHA
CONTENTES OF THE FINANCIAL STATEMENTS
31 DECEMBER 2018

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**PENHA
CHARITY INFORMATION
31 DECEMBER 2018**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2018. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Trustees

The trustees in office in the year were as follows:-

Dr. Lulseged Abebe	- Chairperson	
Dr. Zeremariam Fre	- Treasurer	Appointed 15.3.2018
Dr. Taffese Mesfin		
Ms Nicole Kenton		
Mr John Plastow		Resigned 28.3.2019
Prof. Hirut Terefe		Resigned 4.4.2019
Dr. John Morton		Resigned 28.3.2019
Dr. Essam Mohammed		Resigned 17.5.2018

Secretary

Mr. Bereket Tsegay

Registered Company number

2658932 (England and Wales)

Registered Charity number

1038957

Registered Office

1 Laney Building
Bourn Estate
Portpool Lane
London EC1N 7UL
www.penhanetwork.org
0044207 2420202
info@penhanetwork.org

Accountants/Auditors

EKB Accountancy Services Ltd
Certified Accountants & Statutory Auditor
39-41 North Road, London N7 9DP, UK
0044207 6071471

PENHA
REPORT OF TRUSTEES
31 DECEMBER 2018

Objectives

The principal activities of the charity in the period under review have been to promote sustainable development among pastoral and agro-pastoral communities through gender equality, resilience, enterprise and innovation, and regional cooperation across the Horn of Africa. PENHA works at the grassroots and policy levels to empower pastoralist communities to play a full role in their own development. On the UK side, it has focused on youth and diaspora programmes.

ACHIEVEMENT AND PERFORMANCE 2018

PENHA HQ

PENHA HQ carried out programme, management, fundraising and communication activities, including providing expertise advice to PENHA country offices, locally based organisations, and individuals in the Horn region and in the UK.

PENHA successfully delivered the research outputs and public engagement activities of the *Social Protection for Inclusive Development in Afar Region* of Ethiopia (SPIDA) project, which was implemented by PENHA, the Development Planning Unit (DPU) of University College London (UCL) and Adigrat University of Ethiopia. The project assessed and analysed the role of safety nets among pastoralists and agro-pastoralists of the Afar region, and came up with policy-oriented findings and recommendations. Funded by the Netherlands Organisation for Scientific Research (NWO), PENHA played a key role in managing resources, mobilising the team members and tapping into its three decades-long networking capabilities.

PENHA Founding director and trustee, Dr. Zeremariam Fre, was awarded the prestigious ‘Desmond Tutu Reconciliation Fellowship Award’ 2018 from Global Reconciliation for his outstanding contribution to marginalised pastoral and agro-pastoral communities and as an environmental advocate in Africa. The financial award of AU\$ 10,000 (in £5,424) is being used to promote peace and reconciliation in Sudan, Eritrea and Ethiopia.

PENHA has also continued to strengthen its UK Youth Programme and its partnerships with the diaspora communities. After successfully securing the *England for All* fund for its diaspora-focused project – ‘*Responding to the Needs of Young East African Asylum Seekers and Refugees in Kent, Eastern England*’, multiple workshops in Maidstone, Ashford, Canterbury and other places were organised to promote career building, confidence, employability and integration of 500 young people of East African origin.

In advancing the strategic planning process of 2020-2025, the Board of Trustees conducted several meetings with the staff and other stakeholders. Two of the trustees conducted a mission to Ethiopia and Somaliland for monitoring, evaluation and exploring further partnerships. At the Board of Trustees’ AGM, various critical strategic issues were discussed, and the 2017 narrative and financial reports were approved.

PENHA strengthened its partnerships with academic institutions in Ethiopia and the Horn region. It continued its partnership with the Strategic Initiatives for Women in the Horn of Africa (SIHA), the Coalition of European Lobbies on Eastern African Pastoralism (CELEP), Nordic Consulting Group (NCG), Camden Climate Change Alliance (CCCA) and Race on the Agenda (ROTA).

As part of PENHA’s public engagement strategy, regular updates have been published on its website and social media platforms, and an e-newsletter has been distributed. A roster of experts for consultancy work was also initiated. PENHA has engaged more than seven volunteers in office-based and virtual forms of work including SOAS, University of London student placements.

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Ethiopia

The promotion of sustainable pastoral development in the country has been PENHA's long-term policy since its inception in 1989 when the organisation worked hard setting the pastoral policy agenda. This legacy is recognised by many national civil society organisations which PENHA is committed to work with across the regional states.

A team consisting of two trustee delegates, Dr. Zeremariam Fre and Nicole Kenton, conducted a mission to Ethiopia with the aim of strengthening stakeholder partnerships. An MoU was signed with the Afar Region academic institution – Samara University – to jointly work on areas of common concern. PENHA is in the process of producing a strategic position document on how to continue its activities in Ethiopia.

As part of the SPIDA research consortium, PENHA is continuing its engagement with Adigrat University and UCL, promoting the research outputs and finalising the planning of a book on social protection in pastoral communities in Ethiopia. The book has ten chapters with seven authors from Ethiopia who will contribute three new chapters on highland-lowland interactions, youth, and stakeholder analysis. The evidence-based research findings of the book are aimed at policy makers, practitioners and academics in Ethiopia and beyond in Africa.

Somaliland

PENHA continued to fulfil its mission of working at the grassroots and policy levels, implementing projects that deliver tangible benefits to local people, while contributing to policy debates. It remained active in regional and international policy arenas, including the Intergovernmental Authority on Development (IGAD), the African Union (AU) and the Food and Agriculture Organization of the United Nations (FAO) forums, and also contributed to the African Food Sovereignty Association (AFSA). It engaged in a broad range of development issues, emphasising bottom-up approaches, gender equality, land tenure, resilience and enterprise promotion with local cooperatives and women's groups. The funds for the major projects outlined below were raised locally and are audited annually locally. The summary of the main activities carried out follows.

GIZ - Water Supply and Environmental Rehabilitation (Livelihoods and Resilience): PENHA implemented a set of water supply and environmental rehabilitation interventions at four locations in Togdheer and Odweyne districts. These included rehabilitation of a large dam; construction of berkads (water cisterns); and the rehabilitation and protection of valley dams. This involved working closely with village development communities, local cooperatives and women's groups, with a cash-for-work approach, meeting immediate needs in drought-affected communities, while establishing infrastructure that will deliver lasting benefits.

FAO – Prosopis Control and Use, with Enterprise Promotion: Building on previous research and policy work, Prosopis control has been combined with the promotion of its commercial use in wood products, charcoal production and animal feed blocks. 1,900 households benefited directly across Burao, Odweyne and Berbera districts with a cash-for-work approach, with almost US\$1 million going directly to local people in 2017 and 2018. Tools, equipment and training were provided. Training workshops for FAO partner NGOs from across the region and for traders, market actors and NGOs in Odweyne, Berbera and Burao districts were held.

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The Seawater Greenhouse Project: With Seawater Greenhouse Ltd. UK., PENHA is piloting new technology to grow crops in hot, arid coastal areas using desalinated seawater, aimed at achieving commercial viability using inclusive business models. Although technical tweaks are envisaged, the greenhouse is producing tomatoes, cucumbers and salt at the site, some 18 km west of Berbera. Site visits were organised for a number of international organisations, including the Youth Employment Programme (YEP), with growing interest in the potential to develop new, drought-proof livelihoods. The Mayor of Berbera, the municipality and the Ministry of Environment & Rural Development have been supportive.

UNDEF (United Nations Democracy Fund) – Strengthening Women’s Political Representation in Somaliland: Addressing women’s political marginalisation, low levels of representation in elected bodies and limited capacity for effective participation, this project strengthens the capacity of women’s organisations and leaders. Several major events were held including ‘Campaign Skills Training Workshop’; ‘Training of Trainers Workshop for Rural Women Leaders’ and ‘Strengthening Women’s Participation in Politics: A Workshop for Women in Politics’. Consultations were carried out across 15 districts in 6 regions and an analytical report was produced.

Policy work, research and networking: PENHA regularly participates in national forums, including: the Coordination Meetings of Food Security Cluster (FSC) and the Cash Working Groups (CWG); the National Disaster Preparedness and Food Reserve Authority (NADFOR); NGO Consortium and International NGO Security Organization (INSO). Meetings with Harriet Baldwin, UK Minister of State for Africa, Somaliland’s Ambassador to the UK, and a delegation of the Rome-Based Agencies group provided opportunities to engage in high-level policy dialogue.

Visit to Somaliland by PENHA trustees: Prof. Mitiku Haile of Mekelle University and PENHA Board members Dr. Zeremariam Fre, Dr. Taffese Mesfin and Nicole Kenton gave public lectures at an event with NGOs, development agencies and ministry staff – ‘Pastoral Development in the Horn of Africa: Challenges and Opportunities’ in July 2018, Hargeisa. They visited project sites and held meetings with a wide range of development actors.

Consultancy work with NCG-Norway: Amid-term review of the ‘REDD+ Participatory Forest Management in South West Ethiopia – Phase II (REPAFAMA II)’ Project was carried out. The project was implemented by the Ethio Wetlands and Natural Resource Association in collaboration with the Development Fund of Norway. A collaborative relationship was developed with key ministries and governmental agencies.

Sudan

PENHA has continued to collaborate with the Pastoralist Environment Association in Kassala State (PEAKS) and the Animal Production and Resource Centre (APRC). With financial support from the Desmond Tutu Reconciliation Fellowship Award, PEAKS will organise a regional conference at the end of 2019 on ‘Enhancing cross border cohesion and reconciliation among pastoral communities along the borders of Ethiopia, Eritrea and Eastern Sudan’. In its first phase, a national conference was held in Khartoum in December 2018 in collaboration with PEAKS, attended by government officials, academia, UN bodies, NGOs, embassies, private sector and others.

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Uganda

PENHA has continued to be active in national, regional and international policy forums in Uganda. With support from the Rotary Club of Berkhamsted in the UK, PENHA implemented an education project at Kaku primary school, providing ten 3-seater benches and ten teachers' chairs. During the ceremony held in July 2018, the Parent-Teacher Association expressed its appreciation to PENHA and the Club.

As a partner of the Natural Livestock Farming (NLF), PENHA has been active in promoting the livestock agenda by participating in the 'Herbal alternatives for chemical use in the dairy chain' meetings in May and September 2018. Collaborative efforts to improve NLF's coordination structure for promoting research on tick-borne diseases and control, farmer mobilisation on health and herbal gardens, communication and working with multiple stakeholders are underway.

PENHA also participated in the 'Sub-Regional Focal Point for Animal Genetic Resources for Eastern Africa (SRFP AnGR)' held in Nairobi, Kenya. This was organised by the Association for Strengthening Agricultural Research in Eastern and Central Africa (ASARECA) and AU-IBAR.

Following the expiration of PENHA registration in Uganda and the lack of resources the office faced to fulfil its functions, the Board of Trustees had decided the closure of PENHA Office in Uganda.

Possible risks and risk management

PENHA works in a Region which is still vulnerable to poverty, largely the result of drought and famine, and civil strife. Under such circumstances PENHA trustees regularly review risks and mitigate against such risks by having contingency plans in place. PENHA also has a reserves policy and aims to set aside 20% of its funds for contingencies to cover unforeseen expenditure.

Review of Financial Transactions

The Statement of Financial Activities on page 7 for the year ended 31 December 2018 sets out how the charity's funds have been applied, and the Balance Sheet on page 8 sets out the charity's financial position at 31 December 2018.

Review of Activities

At 31 December 2018 the charity's funds amounted to £12,663, a decrease of £2,675 from the previous year end. The charity's net assets are adequate to fulfil the obligations of the charity.

Dependency on Volunteers' Services

The charity is dependent upon the services of unpaid 8 management committee and 7 volunteers and would like to thank them for the valuable services given by them during the year.



.....
Mr. Bereket Tsegay
Secretary
PENHA

24th of October 2019

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF PENHA

I report on the accounts for the year ended 31 December 2018 set out on pages 7 to 12.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year (under Section 144(2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is required.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under Section 145 of the 2011 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission (under Section 145(5)(b) of the 2011 Act); and
- to state whether particular matters have come to my attention.

Basis of the independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statements below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
 - to keep accounting records in accordance with Section 386 and 387 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of Sections 394 and 395 of the Companies Act 2006 and with the methods and principles of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Efre Kidane FCCA
EKB Accountancy Services Ltd
Chartered Certified Accountants and registered Auditor
39-41 North Road, London, N7 9DP
24th October 2019

PENHA
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2018

	Note	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Income and Expenditure					
Incoming Resources					
Grants & donations	11	13,029	6,174	19,203	58,094
		13,029	6,174	19,203	58,094
Add: Income in advance brought forward		0	0	0	0
Less: Income in advance carried forward		0	0	0	0
		13,029	6,174	19,203	58,094
Resources Expended					
Direct charitable expenditure	4	0	9,437	9,437	100,350
Project support and administration	5	11,671	600	12,271	13,255
Fundraising and publicity	6	170		170	255
		11,841	10,037	21,878	113,860
Net Incoming/(Outgoing) Resources					
For the Year		1,188	(3,863)	(2,675)	(55,766)
Funds brought forward at 1 January 2018		3,935	11,403	15,338	71,104
Transfer of Funds		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Funds carried forward at 31 December 2018		<u>5,123</u>	<u>7,540</u>	<u>12,663</u>	<u>15,338</u>

PENHA
BALANCE SHEET
As At 31 December 2018

	Notes	2018 £	2017 £
Fixed Assets			
Tangible Asset	8	0	0
		<u>0</u>	<u>0</u>
Current Assets			
Debtor	9	15,472	36,172
Cash at bank and in hand		24,216	16,288
		<u>39,688</u>	<u>52,460</u>
Liabilities: amounts falling due within one year	10	(27,025)	(37,122)
		<u>12,663</u>	<u>15,388</u>
Net Current Assets		<u>12,663</u>	<u>15,388</u>
Net Assets		<u>12,663</u>	<u>15,388</u>
Funds			
Restricted	11	7,540	11,403
Unrestricted	11	5,123	3,935
		<u>12,663</u>	<u>15,338</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2018.


The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 December 2018 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Directors on 24th October 2019 and were signed on its behalf by:

Dr. Lulsegged Abebe, Chair 

Dr. Zeremariam Fre, Treasurer 

The notes on pages 9 to 12 form part of these accounts.

PENHA
NOTES TO THE FINANCIAL STATEMENTS
31 December 2018

1. Charity Status

The charity is a company limited by guarantee, the liability of the members being limited to £1 each. The company is registered as a charity with the Charities Commission and is exempt from direct taxation.

2. Accounting Policies

Basis of preparing the financial statements

The financial statements of the charitable company, which is public benefit entity under 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015); The Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Companies Act 2006. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Grants

All grants are from donors for specific projects or for the purpose of defraying staff costs, and for the provision of office facilities and functions.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Overseas projects

Expenditure in respect of overseas projects is charged to the relevant project at the time of liability arise for payment.

Foreign Currencies

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of transaction. Monetary assets and liabilities denominated in foreign currencies are translated in to sterling at the balance sheet date.

Companies Act

The company has permission under Section 60(1a) of the Company's Act 2006 to omit the word 'Limited'.

PENHA
NOTES TO THE FINANCIAL STATEMENTS
31 December 2018

Depreciation

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Equipment 25% straight line

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
3. Management and Administration				
Depreciation	0	0	0	0
Examination and accountancy	0	900	900	2,900
	<u>0</u>	<u>900</u>	<u>900</u>	<u>2,900</u>

4. Charitable Activities

Direct project costs	4,716	73,562
Professional fee and consultancy	2,390	17,280
Travel	2,331	9,508
	<u>9,437</u>	<u>100,350</u>

PENHA
NOTES TO THE FINANCIAL STATEMENTS
31 December 2018

5. Project support and administration	2018	2017
	£	£
Salaries & Volunteer costs	600	1,200
Rent, rates and insurance	5,455	5,072
Printing, postage and stationery	142	821
Telephone, fax and internet	430	409
Bank charges	201	147
Accountancy fee	900	900
Travel	3,942	248
Depreciation	0	0
General Expenses	601	4,458
	<u>12,271</u>	<u>13,255</u>
 6. Fundraising and publicity		
Professional fee and consultancy	170	255
	<u>170</u>	<u>255</u>
 7. Staff Costs		
Wages, professional charges and volunteer payments	2,990	20,830
	<u>2,990</u>	<u>20,830</u>
 The average (full-time equivalent) number * of persons employed during the year was:-	1	1
 8. Tangible Fixed Asset	Equipment	Total
Cost		
At 1 January 2018	1,719	1,719
Additions		
As at 31 December 2018	<u>1,719</u>	<u>1,719</u>
Depreciation		
At 1 January 2018	1,719	1,719
Charge for the year	0	0
As at 31 December 2018	<u>1,719</u>	<u>1,719</u>
 Net Book Value		
As at 31 December 2018	<u>0</u>	<u>0</u>
As at 31 December 2017	<u>0</u>	<u>0</u>

PENHA
NOTES TO THE FINANCIAL STATEMENTS
31 December 2018

9. Debtors:	2018	2017
	£	£
Grants Receivable	15,472	36,172
	<u>15,472</u>	<u>36,172</u>
10. Liabilities: Amounts falling due within one year		
Project costs Accrued	26,125	36,222
Sundry Creditors	900	900
	<u>27,025</u>	<u>37,122</u>

	Balance 1 January 2017 £	Incoming Resources £	Resources Used £	Transfers Between Funds £	Balance 31 December 2018 £
11. Funds					
Restricted Funds					
Awards For All	9,945	0	(7,025)	0	2,920
Uganda Women Support –Individual donors	482	750	(807)	0	425
Women Empowerment- Sudan	976	0	0	0	976
DTRF	0	5,424	(2,205)	0	3,219
	<u>11,403</u>	<u>6,174</u>	<u>(10,037)</u>	<u>0</u>	<u>7,540</u>
Unrestricted Funds					
Donations	3,935	13,029	(11,841)	0	5,124
	<u>3,935</u>	<u>13,029</u>	<u>(11,841)</u>	<u>0</u>	<u>5,124</u>
Total Funds	<u>15,338</u>	<u>19,203</u>	<u>(21,878)</u>	<u>0</u>	<u>12,664</u>

12. Trustees Expenses

No trustee or any person connected with them has received or is due to receive any remuneration for the year directly or indirectly from the charity's funds.



Pastoral & Environment Network in the Horn of Africa

PENHA SOMALILAND ANNUAL AUDIT REPORT

Financial Statements for the year ended 31st December 2018



Pastoral & Environmental Network in the Horn of Africa

Audited Accounts
Annual Financial Statement
For The Period Ended 31/12/2018



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STATEMENT OF ORGANIZATIONS RESPONSIBILITIES

PENHA is developmental, non governmental, non profit making organisation dedicated to development issues in undeserved and/or marginalized Somaliland Communities.

PENHA also aims to alleviate human suffering by using all available and appropriate means in order to reach its goals and by working in the different aspects of the socio-economic life in Somalia. The organization is committed to work towards the achievement of sustainable social development rooted in local traditions through participatory means.

The Management Members meet regularly during the year. The Country Representative is responsible for the general policy guidelines relating to the affairs of the organization provided in the constitution.

Country Representative Team


Ms. Sadia Musse Ahmed

Country Representative



Ms. Samiira Elmi Yassir

Finance Manager



GENERAL INFORMATION

The organization is governed by its constitution and by-laws. The organization was registered with the State Attorney General and with the Ministry of National Planning & Co-ordination, as a non-political, non-profit making, non governmental organization, engaging in promoting the rehabilitation, reconstruction, and development of Somaliland. The organization registration number is Somaliland Reg.# L43.31.2040.2019 M/J.

The main Advisor's/ Donors of the organization are:

1. Auditors

DHAMMAYS

Certified Public Accountants & Business Advisors
Al-khayr Tower, B-Block 2nd Floor Room # 202 Presidential

2. Bankers

Dahabshiil Private Limited Company
Banque Pour Le Commerce Et L'industrie Mer Rouge (Djibouti)
Premier Bank
Darasalam African Bank

3. Donors

GIZ

Deutsche Gesellschaft für Internationale
Zusammenarbeit (GIZ) GmbH
Dag-Hammarskjöld-Weg 1-5
D-65726 Eschborn
Germany

FAO Somalia

Hargeisa Office

United Nations Fund for Democracy

USA- Washington

SWGHI-INNOVATE UK Seawater Green House Ltd.

Seawater Greenwood Road
London - E81 AB
United Kingdom

STATEMENT OF MANAGEMENT MEMBERS' RESPONSIBILITIES

The Constitution requires the organisations Members 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 operating results for that year. It also requires the Management Members to ensure that the organisation maintains proper accounting records which disclose with reasonable accuracy the financial position of the organisation. The Management team Members are also responsible for safeguarding the assets of the organisation.

The organizations team accept the responsibility for the financial statements which have been prepared using the appropriate accounting policies supported by reasonable and prudent judgments, estimates consistent and in conformity with the International Accounting Standards. The Management Members are of the opinion that the financial statements give a true and fair view of the state of financial affairs of the organization as at 31st December 2018 and of its operating results for the year then ended.

The organizations Members further confirm the accuracy and completeness of the accounting records maintained by the organization 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.

Approved by the organizations Members on 02 June 2019 and signed on its behalf by:

Country Representative Team
Ms. Sadia Musse Ahmed



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Finance Manager
Ms. Samiira Elmi Yassir

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INDEPENDENT AUDITORS REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of PENHA, set out on pages 6 to 18 ,which comprise of the statement of financial position as at 31 December, 2018 and the statement of comprehensive income, statement of changes in fund balances and statement of cash-flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

As stated on page 4, the organization is responsible for the preparation of financial statements for the year ended 31 December, 2018, which give a true and fair view of the state of affairs of the organization and of its operating results. Our responsibility is to express an independent opinion on the financial statements based on our audit.

Auditor's Responsibility

Our responsibility is to express an independent opinion of these financial statements base donor 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 depended donor professional 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, we considered the internal controls relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that we re-appropriate in the circumstances, but not for the purpose of expressing an opinion on the organization's internal control. An audit also include evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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 Organization's financial statements give a true and fair view of the state of financial affairs of the organization as at 31st December, 2017 and of its results and cash flows for the year then ended in accordance with International Financial Reporting Standards and the NGOs' Act.

Report on Other Legal Requirements

As required by the law, we report to you, based on our audit, that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) in our opinion, proper books of account have been kept by the organization, so far as appears from our examination of those books; and
- iii) the organization's statement of financial position and of comprehensive income are in agreement with the books of account.

The engagement partner responsible for this audit resulting in this independent auditor's report is:

DHAMMAYS

Certified Public Accountants & Business Advisors
Al-khayr Tower, B-Block 2nd Floor Room
202 Presidential Road, Hargeisa, Somaliland

DATE: 02 June 2019





STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December 2018

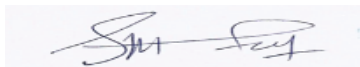
	Notes	2018 <u>USD</u>	2017 <u>USD</u>
Income			
Receipts	a)	545,745	443,406
Receivables	b)	125,378	107,198
Fund balance (2016)	c)	24,970	-
TOTAL		<u>696,093</u>	<u>550,604</u>
Expenditure	c)	596,212	525,634
(Deficit) / surplus	d)	<u>99,880</u>	<u>24,970</u>

STATEMENT OF FINANCIAL POSITION

	Notes	2018 USD
Non-current assets		
Property, plant & equipment	1	55,542
Current Assets		
Accounts Receivables	[2]	125,378
Cash in hand	[2]	22
Cash at bank	[2]	15,728
Total current assets		141,128
Total Assets		196,670
EQUITY AND LIABILITIES		
Capital and reserves		
Revenue reserve		199,170
Total		199,170
Current liabilities		
Creditors & Accruals	[3]	(2,500)
Total Equity & Liabilities		196,670

These Financial Statements were approved by Management members on 02 June 2019 .

Country Representative Team
Ms. Sadia Musse Ahmed



Finance Manager
Ms. Samiira Elmi Yassir





STATEMENT OF CHANGES IN EQUITY

	<u>2018 USD</u>	<u>2017 USD</u>
Accumulated fund balance B/F	24,971	(76,227)
Surplus/(Deficit) for the year	2,104	24,971 -
Accumulated fund balance C/F	<u>27,075</u>	<u>24,971</u>

STATEMENT OF CASH FLOWS

	2018 USD
Cash Flows from Operating Activities	
Operating surplus for the Year	2,104
Changes in Working Capital:-	
(Increase)/ Decrease in Debtors & Prepayments (Decrease) in Creditors & Accruals	125,378
Net Cash (used in)/from Operating Activities	127,482
Cash Flows from Investing Activities	
Fixed Assets Proceeds from disposal of fixed assets	55,542 -
Net Cash Used in Investing Activities	55,542
Net Decrease / Increase in Cash and Cash Equivalents	183,024
Movement in Cash and Cash Equivalents	
Cash and Cash Equivalents as of January	32,584
Cash and Cash Equivalents December	150,440



ACCOUNTING POLICIES

1. The financial statements have been prepared in accordance with the International Finance Reporting Standards. The principal accounting policies adopted are set out below:

a.) **Basis of preparation**

The financial statements are prepared under the historical cost convention on accrual basis except for grant income which is recognized on a cash basis.

b.) **Income recognition**

Income is recognized once grant money is received. It is accounted for on a cash basis.

c.) **Property, Plant & Equipment**

All fixed assets are initially recorded at cost and subsequently shown at historical cost less depreciation.

Depreciation is provided to write off the cost of the assets over their expected usefulnesses on a reducing balance basis at the following rates:

Furniture, Fixtures & Fittings 12.50%

Office Equipment 12.50%

Motor Vehicles 25%

NOTES TO THE FINANCIAL STATEMENTS

1. Property, plant and equipment

Cost:	Motor Vehicles	Equipment & Machinery	Computers	Furniture, fixtures &	Total
As at 1st January 2018	59,700	4,525	4,450	4,220	72,895
As at 31st December 2018	<u>59,700</u>	<u>4,525</u>	<u>4,450</u>	<u>4,220</u>	<u>72,895</u>
Charge for the year	14,925	566	1,335	528	17,353
As at 31st December 2018	<u>14,925</u>	<u>566</u>	<u>1,335</u>	<u>528</u>	<u>17,353</u>
Net book value:	<u>44,775</u>	<u>3,959</u>	<u>3,115</u>	<u>3,693</u>	<u>55,542</u>



NOTES TO THE FINANCIAL STATEMENTS

	Notes	<u>2018 USD</u>
2. Cash and Cash Equivalent		
Cash at Bank - Banque Pour le Commerce Et L'Industrie Mer Rouge, Djibouti BCIMR		10.00
Cash at Bank - Dahabshil Remittance , Hargeisa		2,865
Darasalam International bank Hargeisa		100
Premier Bank, Hargeisa		10,253
Fund balance		13,228

NOTES TO THE FINANCIAL STATEMENTS

	<u>2018 USD</u>
GIZ - Livelihood project -Duruqsi DAM	
Balance from the last year accounts	
1st Income From GIZ	103,677
Income	103,677
Project Expenses	
Personnel Expenses	5,595
Program cost	89,575
Administration cost	7,537
Contingency/other cost- DSA /Traveling cost	12,500
Total Expenses	115,207
	(11,530)
GIZ LIP DAMS	
Balance From 2017 (end Dec 17)	-
1st Income	105,853
Income	105,853
Project Expenses	
Personnel Expenses	3,700
Program cost	104,890
Administration cost	7,741
Contingency/other cost- DSA /Traveling cost	2,000
Total Expenses	118,331
	(12,479)
GIZ - LIP Construction of Yucub-Yabooh Dam	
Balance From 2017 (end Dec 17)	31,613
1st Income	-
Income	31,613

NOTES TO THE FINANCIAL STATEMENTS

	2018 USD
Project Expenses	
Personnel Expenses	-
Program cost	28,293
Administration cost	2,800
Contingency/other cost- DSA /Traveling cost	520
Total Expenses	31,613
Surplus	-
SWGH-INNOVATE UK Sea water Green House	
Balance b/f	(2,004)
2nd Income Received From	9,980
3rd Income Received From	9,962
4th Income Received From	14,972
Total Income	32,910
Expenses	
Personnel Cost	17,390
Project site activities	19,339
Project site costs/utilities	3,161
Travel and security expenses	2,275
Expected expenses for PENHA Admin cost (receivables)	36,000
Total expenses	78,116
Surplus	(45,256)
UNDEF accounts	
Balance From Previous Year	2,975
2nd Milestone Received from UNDEF	65,650
Total Income	68,625
Expenses	
Staff and Other Personnel Costs	19,525
Supplies, Commodities, and Materials	6,115
Equipment and Furniture	-
Travel	46,600
Contractual Services	11,325
General operating and other direct costs	39,516
Transfers & Grants to Implementing Partners	-

NOTES TO THE FINANCIAL STATEMENTS

	2018 USD
Programme Support Costs : UNDEF M&E	-
Total Expenses	123,081
Surplus/(Deficit)	(54,456)
FAO CASH for work Project Expenses	
Balance From Previous Year	-
1st Project Income	26,915
2nd Project Income	35,306
3rd Project Income	35,176
Income	97,397
Expenditure	
Personnel Expenses	40,100
Program expenses	49,390
Administration cost	12,100
M&E cost	22,156
Other cost	
Contingency cost	-
Total Expenses	123,746
Surplus/(Deficit)	(26,349)
Surplus/(Deficit)	(150,069)
Plus Net Receivables	125,378
Less Audit Fees	(2,500)
Net Surplus/(Deficit) From Activities	(27,192)

SUMMARY PROJECTS INCOME & EXPENDITURE REPORT

For The Year Ended 31 December 2018

SN	Project Name	Beginning (A)	Income	Total C= (A+B)	Expenses (D)	End balance =C-D
1	GIZ - Livelihood project -Duruqsi Dam		103,687.11	103,687.11	115,131	-11,443.91
2	GIZ LIP DAMS		105,852.72	105,852.72	117,314	-11,460.91
3	GIZ -LIP construction of Yucub-Yabooh Dam	31,613.00		31,613.00	41,607	9,993.80
4	SWGHI - INNOVATE UK Sea water Green House	(2,004.00)	47,780.00	45,776.00	78,166	-23,163.71
5	UNDEF Project Expenses	2,975.00	65,650.00	68,625.00	123,081	-54,456.00
6	FAO CASH for work Project Expenses	-	97,397.00	97,397.00	118,414	-21,017.00
7	Audit fee			-	2,500.00	-2,500.00
8	Receivable at the beginning of 2019		125,377.82	125,377.82	-	125,377.82
Total Income and Expenditure summary		32,584.00	545,744.65	578,328.65	596,212.16	11,330.09

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Pastoral & Environment Network in the Horn of Africa

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