

ACTIONAID RWANDA

AUDIT REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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The directors submit their report together with the audited financial statements of the Organisation for the year ended 31 December 2017, which disclose the state of affairs of the Organisation.

PRINCIPAL ACTIVITIES

ActionAid Rwanda (AAR) is an associate of ActionAid International (AAI) – an anti-poverty agency working with poor, voiceless people, communities and similar-minded partners worldwide.

AAR's vision is to have a country without poverty and injustice in which every person enjoys their right to a life of dignity.

AAR's mission is to work with people living in poverty with a focus on women and girls to eradicate poverty and injustice.

RESULTS

The results for the period are set out on page 6.

DIRECTORS

The directors who held office during the year and to the date of this report were:-

Name	Position
Isaac Nyarwaya	Chairperson of the Board
Kayitare Tengera Francoise	Vice-Chairperson
Musuhuke Richard	Treasurer
Sylvia Muteteli	Member
Nyirabahinyuza Mediatrice	Member
Jeanne Kagwiza	Member
Gatete Thierry Kevin	Member
Wibabara Charity	Member
Musonera Edouard	Member

INCORPORATION AND REGISTERED OFFICE

ActionAid Rwanda ("the Organisation") is incorporated in Rwanda under Law No. 04/2012 of 17 February 2012 governing the organisation and the functioning of NGOs and is domiciled in Rwanda. The address of its registered office is:

ActionAid Rwanda
Remera
P.O. Box 3107
Kigali Rwanda

The organisation was incorporated in 1996.

AUDITOR

PricewaterhouseCoopers Rwanda Limited was appointed as the auditors of ActionAid Rwanda for the year ended 31 December 2017.

By order of the Board

.....
Isaac Nyarwaya
Chairperson of the Board

for
Francoise Kayitare Tengera
Vice Chairperson

.....
Date 29/06/2018

ActionAid Rwanda
Statement of Directors' Responsibilities
For the year ended 31 December 2017

ActionAid Rwanda Directors are responsible for the preparation of the financial statements, comprising the statement of financial position as at 31 December 2017, the statement of receipts and expenditure, statement of changes in net assets, and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with the accounting policies of the Organisation, set out in Note 1 and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

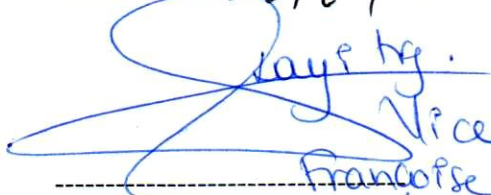
The Directors' responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. They are also responsible for safe guarding the assets of the Organisation.

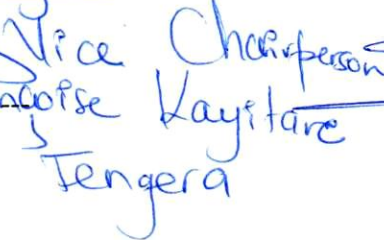
The Directors accepts responsibility for the financial statements set out on pages 6 to 16, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the accounting policies of the Organisation. The Directors are of the opinion that the financial statements are prepared, in all material respects, in accordance with the accounting policies of the Organisation. The Directors further accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well an adequate system of internal financial control.

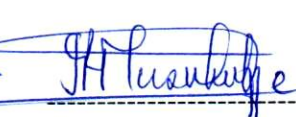
The Directors have made an assessment of the Organisation's ability to continue as a going concern and have no reason to believe the business will not be a going concern for at least the next twelve months from the date of this statement.

The Auditor is responsible for reporting on whether the annual financial statements are prepared, in all material respects, in accordance with the accounting policies of the Organisation.

The financial statements on pages 6 to 16 were approved for issue by the Directors of ActionAid Rwanda on 29/6/2018 and signed on its behalf by:


for Isaac Nyarwaya
Chairperson of the Board


Françoise Kayitare
Vice Chairperson
Tengeru


Richard Musuhuke
Treasurer



Independent auditor's report

To the Board of Directors of ActionAid Rwanda

Our opinion

In our opinion, financial statements of ActionAid Rwanda (the Organisation) are prepared, in all material respects, in accordance with the accounting policies described in Note 1 to the financial statements.

What we have audited

The Organisation's financial statements comprise:

- the statement of financial position as at 31 December 2017;
- the statement of income and expenditure for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in *the Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

We are independent of the Organisation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other information

The directors are responsible for the other information. The other information comprises the directors' report and the statement of directors' responsibilities (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Independent auditors report (continued)

Emphasis of Matter – Basis of accounting and restriction on distribution and use

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the accounting policies described in Note 1 to the financial statements. As a result, the financial statements may not be suitable for another purpose.

Our report is intended solely for ActionAid Rwanda, ActionAid International and its donors and should not be distributed to or used by parties other than ActionAid Rwanda, ActionAid International and its donors. Our opinion is not modified in respect to this matter.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements in accordance with the accounting policies described in Note 1 to the financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organisation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organisation's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



Independent auditors report (continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organisation to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For PricewaterhouseCoopers Rwanda Limited



Florence Gatome
Director

.....29 June.....2018


Statement of financial position

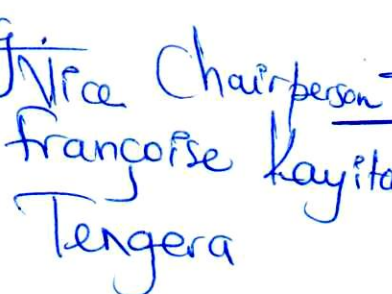
	Notes	2017 GBP 000'	2016 GBP 000'
ASSETS			
Non-current assets			
Property and equipment	2	-	12
		-	12
Current assets			
Advances	3	33	23
Inter entity accounts receivables	4	443	464
Other sundry receivables	5	8	14
Cash and bank	6	155	89
Total current assets		639	590
TOTAL ASSETS		639	602
EQUITY AND LIABILITIES			
Equity			
Accumulated surplus	7	572	524
Total equity		572	524
Liabilities			
Non-current liabilities			
Amount due to employees	8	14	14
Current liabilities			
Other payables	9	53	64
Total liabilities		67	78
TOTAL EQUITY AND LIABILITIES		639	602


The notes on pages 10 to 16 are an integral part of these financial statements.

The financial statements on pages 6 to 16 were approved for issue by the board of directors on

29th June 2018 and signed on its behalf by:


 Isaac Nyarwaya
 Chairperson of the Board


 Françoise Kayitare
 Vice Chairperson
 Tengera


 Richard Musuhuke
 Treasurer

Statement of income and expenditure

	Notes	2017 GBP 000'	2016 GBP 000'
Income			
Regular giving income	10	946	1,003
Partnership official	11	710	743
Partnership other	12	338	129
Other income	13	17	54
		<u>2,011</u>	<u>1,929</u>
Transfers in	14	70	100
Total Income		<u>2,081</u>	<u>2,029</u>
Expenditure			
Programme costs	15	1,592	1,428
Support costs	16	187	174
Fundraising costs	17	120	125
Governance costs	18	20	24
Exchange losses		19	-
Total expenditure before transfers out		<u>1,938</u>	<u>1,751</u>
Transfers out	19	95	144
Total expenditure after transfer out		<u>2,033</u>	<u>1,895</u>
Surplus/(Deficit) for the year		<u>48</u>	<u>134</u>

The notes on pages 10 to 16 are an integral part of these financial statements.

Statement of changes in net assets

	Cumulative net assets GBP 000'
Year ended 31 December 2016	
As at 1 January 2016	390
Surplus for the year	<u>134</u>
At 31 December 2016	<u>524</u>
Year ended 31 December 2017	
As at 1 January 2017	524
Surplus for the year	<u>48</u>
At 31 December 2017	<u>572</u>

The notes on pages 10 to 16 are an integral part of these financial statements.

Statement of cash flows

	Notes	2017 GBP 000'	2016 GBP 000'
Operating(deficit) surplus		48	134
Adjustments for;			
Depreciation	2	12	12
(Increase)/Decrease in receivable		17	(36)
Increase/(Decrease) in payable		(11)	(29)
		<u>18</u>	<u>(53)</u>
Net cash from operating activities		<u>66</u>	<u>81</u>
Cash flow from investing activities			
Purchase of fixed assets		-	-
Net increase in cash and cash equivalents		<u>66</u>	<u>81</u>
Cash and bank balances at the beginning of the year		<u>89</u>	<u>8</u>
Cash and bank balances as at the end of the year	6	<u>155</u>	<u>89</u>

The notes on pages 10 to 16 are an integral part of these financial statements.

Notes to the financial statements

1 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements have been prepared using accrual basis of accounting in accordance with Action Aid Rwanda accounting policies. The financial statements are presented in Great Britain Pounds (GBP).

(b) Property and equipment

All fixed assets are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. All purchases of items that are capital in nature with a value below GBP 5,000 are expensed upon payment as capital expenditure in the year of acquisition. However, a fixed assets register is maintained for all assets costing GBP 100.

Depreciation is calculated using the straight-line method to allocate the cost of assets less their residual values over their estimated useful lives, as follows:

Item	No of years	%
Fixtures and fittings	3	33
Equipment	3	33
Buildings	10	10
Vehicles	3	33

(c) Advances

These relate to unliquidated amounts advanced to implementing partners and staff as at the end of the year.

(d) Inter entity accounts receivables

Inter entity accounts receivables relate to amounts due from ActionAid International and other ActionAid country offices as at the end of the year. They arise from expenses incurred by ActionAid Rwanda on behalf of other ActionAid country offices.

(e) Other sundry receivables

These relate to prepayments, tax receivable and accrued income as at the end of the year.

(f) Cash and bank balances

Cash and bank balances relate to cash held with banks.

Notes (continued)

(g) Amount due to employees

This relates to the terminal benefits due to the country director at the end of the employment contract with ActionAid Rwanda.

(h) Other payables

Other payables relate to the obligations to pay for goods and services that have been acquired in the ordinary course of operations from suppliers, outstanding balances to be paid on contracts and payroll related liabilities. These are payable within 12 months.

(i) Income

Regular giving income

Regular giving income is comprised of the child sponsorship income from three countries namely UK, Italy and Greece. This is utilised for the budgeted and approved activities for the development of villages of the children. This income is recognised when raised.

Partnership official

Partnership income consists of the transfers from European Commission and Embassy of the Kingdom of Netherlands for the implementation of FLOW (Funding Leadership Opportunities for Women) and SCAB (Strengthening Civil Society Organisations in Promoting Sustainable Agriculture Policies and Citizen Participatory Budgeting in Rwanda) projects as per the signed agreements. This is recognised when cash is received in the bank account.

Partnership other

This relates to other donors other than government institutions and international governmental organisations and includes individual sponsors and non-public and non-governmental organisations who sponsored the projects or programmes. This income is recognised when raised.

(j) Other Income

This relates to income from sale of assets, other office materials and gift items, exchange gains and funds received from partners to support research and studies in ActionAid Rwanda. These are recognised when received.

(k) Transfers in

Transfers in relate to funds allocated to ActionAid Rwanda by ActionAid International based on the business cases presented by ActionAid Rwanda and approved by the ActionAid International board of directors. These are recognised on upon allocation of the funds by ActionAid International.

Notes (continued)

(l) Expenditure

Expenses are recognised when a commitment to pay such expenses has been entered into by ActionAid Rwanda.

(m) Exchange losses

Transactions denominated in other currencies apart from the reporting currency are translated to GBP (Sterling Pound) at the exchange rate issued by the National Bank of Rwanda (BNR) and the rate used is the opening buying rate at the beginning of each month which is applied across the whole month.

At the balance sheet date which is 31 December, book balances denominated in other currencies are converted into GBP using the opening buying rate of the month of December issued by BNR.

The associated exchange losses/gains are recorded as expenditure/income in the statement of income and expenditure.

(n) Transfers out

Transfers out relate to the proportion of child sponsorship income contributed by ActionAid Rwanda to cater for ActionAid International fundraising, administration costs and other internal projects in accordance with the child sponsorship policy. Transfers out are recognised when ActionAid International withdraws from the funds allocated to ActionAid Rwanda.

2 (a) Property and equipment

	Motor Vehicles GBP 000'	Office Equipment GBP 000'	Total GBP 000'
Cost			
Beginning of year	91	14	105
Disposal	-	-	-
Additions	-	-	-
End of Year	91	14	105
Accumulated depreciation			
Beginning of year	79	14	93
Depreciation charge for the year	12	-	12
End of Year	91	14	105
Net book Value			
As at 31 December 2017	-	-	-

Notes (continued)

2 (b) Property and equipment

	Motor Vehicles GBP 000'	Office Equipment GBP 000'	Total GBP 000'
Cost			
Beginning of year	124	14	138
Disposal	(33)	-	(33)
Additions	-	-	-
End of Year	91	14	105
Accumulated depreciation			
Beginning of year	100	14	114
Depreciation charge for the year	12	-	12
Release on disposal	(33)	-	(33)
End of Year	79	14	93
Net book Value As at 31 December 2016	12	-	12

3 Advances

Description	2017 GBP 000'	2016 GBP 000'
Partner advances	33	22
Local staff advances	-	1
Total	33	23

4 Inter entity accounts receivables

	2017 GBP 000'	2016 GBP 000'
Action Aid International Secretariat	434	462
ActionAid UK	-	2
Action Aid HQ- Johannesburg	7	-
Action Aid Africa Region ARO	2	-
	443	464

5 Other sundry receivables

	2017 GBP 000'	2016 GBP 000'
Prepayments	2	3
Accrued income	-	11
Tax receivable	6	-
	8	14

Notes (continued)

6 Cash and Bank balances

Bank account name	Bank account Number	Currency	2017 GBP 000'	2016 GBP 000'
Bank of Kigali-ActionAid Rwanda	4309762	Rwf	-	6
Bank of Kigali-ActionAid Rwanda	40020687406	GBP	74	6
Bank of Kigali- EU Project	00688544-13	Euro	-	17
Bank of Kigali- EU Project	699545-14	Rwf	52	7
Bank of Kigali -FLOW Project	00697216-13	Euro	1	23
Bank of Kigali -FLOW Project	00697217-14	Rwf	28	30
			155	89

7 Accumulated surplus

	2017 GBP 000'	2016 GBP 000'
Opening balance	524	390
Surplus/(Deficit) for the year	48	134
Accumulated surplus	572	524

8 Amount due to employees

	2017 GBP 000'	2016 GBP 000'
Provision for staff benefits	14	14

9 Other payables

	2017 GBP 000'	2016 GBP 000'
Pay As You Earn tax (PAYE)	17	16
Social security contribution (3% employee contribution)	2	2
Social security contribution (5% employer contribution)	3	3
Accrued account	19	42
Sundry creditors	12	1
	53	64

10 Regular giving income

	2017 GBP 000'	2016 GBP 000'
Big step income	178	168
Child sponsorship income	762	828
Country general fund -Italy	2	2
Country general fund- Greece	-	1
Other regular giving- Amico Peace	3	3
Other	1	1
	946	1,003

Notes (continued)

11 Partnership official

	2017	2016
	GBP	GBP
	000'	000'
FLOW Project	545	572
EU Project	165	171
	<u>710</u>	<u>743</u>

12 Partnership other

	2017	2016
	GBP	GBP
	000'	000'
Action Aid International	338	129
	<u>338</u>	<u>129</u>

13 Other income

	2017	2016
	GBP	GBP
	000'	000'
Miscellaneous income	9	3
Other local partners	7	-
Sale of assets	-	9
Exchange gains	-	41
Material sales	-	1
Gift items sold	1	-
	<u>17</u>	<u>54</u>

14 Transfers in Month

	2017	2016
	GBP	GBP
	000'	000'
March	17	50
April	6	17
May	6	17
June	6	(33)
July	6	8
August	6	8
September	6	8
October	6	8
November	17	17
December	(6)	-
	<u>70</u>	<u>100</u>

15 Programme Costs

	2017	2016
	GBP	GBP
	000'	000'
Education	405	241
Sustainable agriculture	623	611
Violence against women and girls	-	39
Economic alternatives	288	246
Indirect programme expenditure	276	291
	<u>1,592</u>	<u>1,428</u>

Notes (continued)

16 Support costs

	2017	2016
	GBP	GBP
	000'	000'
Information technology	24	22
Finance (excluding internal audit)	28	33
Office administration	23	53
Local management	54	47
Human resources	28	19
Property expenditure	30	-
	<u>187</u>	<u>174</u>

17 Fundraising costs

	2017	2016
	GBP	GBP
	000'	000'
Child sponsorship	77	97
Partnership official	22	14
Partnership other	21	14
	<u>120</u>	<u>125</u>

18 Governance costs

	2017	2016
	GBP	GBP
	000'	000'
Constitutional compliance	6	15
Legal costs	3	3
External audit - other firms	11	6
	<u>20</u>	<u>24</u>

19 Transfers out
Month

	2017	2016
	GBP	GBP
	000'	000'
March	31	30
April	5	11
May	6	10
June	8	23
July	7	10
August	7	11
September	7	13
October	8	12
November	6	11
December	10	13
	<u>95</u>	<u>144</u>