

KAALO AID AND DEVELOPMENT ORGANIZATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2015

*AAALO Aid and Development Organization
Annual Report and Financial statements
For the year ended 31st December 2015*

Contents	Page
Entity's Information	1
Report of Directors	2
Statement of director's responsibility	3
Report of the independent auditor	4
Financial statements	
Comprehensive income statement	5
Balance Sheet	6
Statement of Cashflows	7
Notes to financial statements	8-11
The following page does not form an integral part of these financial statements	
Operating income and expenditure schedule	Appendix i

AAALO Aid and Development Organization
Annual Report and Financial statements
For the year ended 31st December 2015
Entity's Information

Board of Directors

Dr. Abdulahi Isse Ali
Abdimalik Jamac Mohamed
Maymun Mohamed Nour
Fadumo Mohamed Axmed
Layla Salaad Wayrah
Abdukadir Abdikhadar Nour

Registered office

Regional Office for Eastern and Horn of Africa
Garowe
Puntland State of Somalia

Independent auditor

PMK Associates
Certified Public Accountants of Kenya
4th Floor Lotus House
Haile Selassie Avenue
P.O Box 14109-00100
Nairobi
Kenya

Principal bankers

Amal Express Bank
Dahabshiil Bank

KAALO Aid and Development Organization
Annual Report and Financial statements
For the year ended 31st December 2015
Board of Directors Report

The Board of Directors submit their report together with the audited financial statements for the year ended 31 December 2015 which disclose the state of affairs of the entity.

Incorporation

The entity is a Non-Governmental Organization (NGO) established in 1991. It operates in Puntland State of Somalia.

Principal activities

It is mainly involved in relief aid, rehabilitation and development programs in education, health, rural development, agriculture and governance (peace, human rights and gender development).

Results

The results for the year are shown on Page 5.

Directors

The Board of Directors who held office during the year and to date of this report are set out on page 1.

Auditor

Messrs. PMK Associates , Certified Public Accountants (Kenya), have been appointed as auditors and have expressed their willingness to continue in office.

By order of Board of Directors

Director *Abdullahi Isse*

Dated: *25th Nov,* 2016



KAALO Aid and Development Organization
Annual Report and Financial statements
For the year ended 31st December 2015
Statement of Directors' Responsibility

The accounting practise requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the entity as at the end of the financial period and of its operating results for that period. It also requires the Directors to ensure the entity keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the entity. They are also responsible for safeguarding the assets of the organization.

The directors accept responsibility for the preparation and fair presentation of financial statements, which 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 accounting practise. They also accept responsibility for :-

- i) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements;
- ii) selecting and applying appropriate accounting policies, and;
- iii) making accounting estimates and judgements that are responsible in the circumstances.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the entity as at 31st December 2015 and of its financial performance and cashflows for the period then ended in accordance with International Financial Reporting Standards.

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

Approved by the Board of Directors.....25th Nov 2016.....2016 and signed on its behalf by :

Abdullahi Isse
.....
Director

.....
Director



PMK Associates

Certified Public Accountants of Kenya
020 2429439, 0721 347968, 0735 403450
Email: info@pmkassociates.co.ke

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF KAALO AID AND DEVELOPMENT ORGANIZATION

Report on the Financial Statements

We have audited the accompanying financial statements of KAALO Aid and Development Organization, set out on pages 5 to 11 which comprise the balance sheet as at 31st December, 2015, and the comprehensive income statement 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

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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.

Auditor's Responsibility

Our responsibility is to express an independent opinion of these financial statements based on our 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.

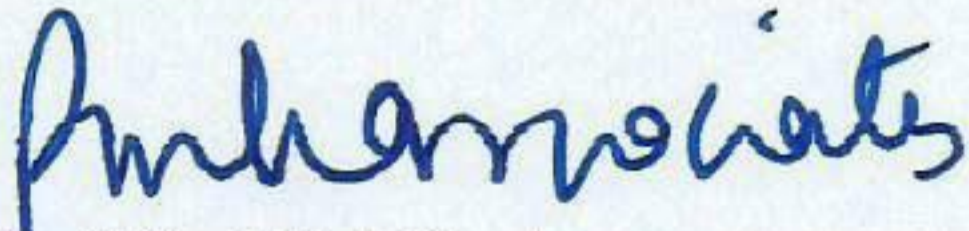
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depended on our professional judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we considered the internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the organization's internal control. An audit also includes 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.

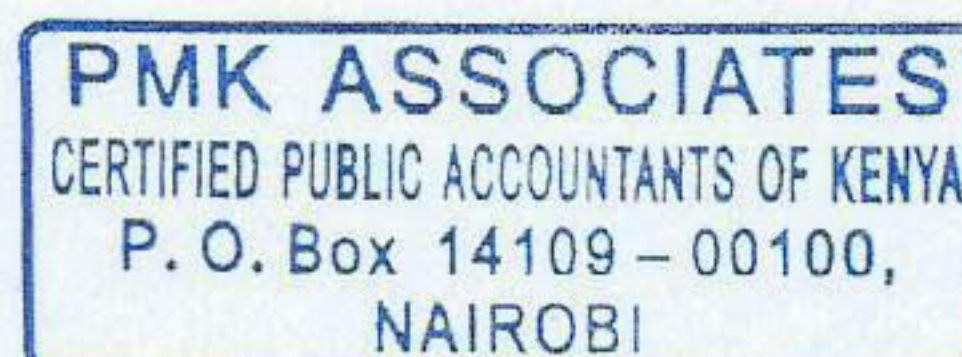
Opinion

In our opinion the accompanying financial statements give a true and fair view of the state of financial affairs of the organization as at 31st December, 2015, and of its results and cash flows for the year then ended in accordance with International Financial Reporting Standards.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Peter Kamau Maina P/NO. 1489.


Certified Public Accountants of Kenya

Nairobi, Kenya
Wednesday, November 30th, 2016



AAALO Aid and Development Organization
 Financial Statements
 For the year ended 31st December 2015

Comprehensive income statement

	Notes	2015 USD	2014 USD
Income			
Grant from Donors	Appendix i	387,729	493,114
Total Income		<u>387,729</u>	<u>493,114</u>
Less: Expenditure			
Direct project expenses	8	300,919	445,956
Administration expenses	7	112,875	59,756
Total Expenses		<u>413,794</u>	<u>505,712</u>
(Deficit)/ Surplus for the year	9	<u>(26,064)</u>	<u>(12,598)</u>

Balance sheet as at 31st December 2015

	Notes	2015 USD	2014 USD
Assets			
Non-current Assets			
Property and Equipment	2	165,000	162,976
		<u>165,000</u>	<u>162,976</u>
Current Assets			
Receivables and deposits	3	79,476	113,485
Cash and Bank Balances	5	14,605	128,092
Total current assets		<u>94,081</u>	<u>241,576</u>
Total assets		<u>259,082</u>	<u>404,552</u>
Financed by			
Reserves	6	256,382	401,852
		<u>256,382</u>	<u>401,852</u>
Liabilities			
Trade payables	4	2,700	2,700
		<u>2,700</u>	<u>2,700</u>
TOTAL FUNDS		<u>259,082</u>	<u>404,552</u>

The financial statements on pages 5 to 7 were approved by the Board of Directors on 25, Nov 2016 and were signed on its behalf by: -

Director Abdullahi Isse



Statement of cash flows

	2015	2014
	USD	USD
Cash flows from operating activities		
(Deficit)/Surplus for the year	(26,064)	(12,598)
	(119,406)	
<i>Adjustment for :</i>		
Depreciation	13,005	12,034
Expenditure in excess of projects grant w/off		
Operating surplus before working capital changes	<u>(132,465)</u>	<u>(564)</u>
<i>Changes in working capital balances:</i>		
(Increase)/ Decrease in accounts receivable	34,008	36,438
(Increase)/ Decrease in accounts payable	-	2,700
Net cash generated from operating activities	<u>(98,457)</u>	<u>38,574</u>
Cash flows from investing activities		
Acquisition of fixed assets	<u>(15,029)</u>	-
Net cash generated from investing activities	<u>(15,029)</u>	-
Increase in cash and cash equivalents	<u>(113,486)</u>	<u>38,574</u>
Movement of cash and cash equivalents		
Balance at the beginning of the year	128,091	89,517
Net Increase in cash and cash equivalents above	(113,486)	38,574
Balance at the end of the year	<u><u>14,605</u></u>	<u><u>128,091</u></u>

Notes

1 Summary of significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are set out below:

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention and are in accordance with and comply with International Financial Reporting Standards.

(b) Grant Income Recognition

Grants from donors are recognized when there is evidence of entitlement to the gift, receipts are probable and the amounts can be measured reliably. The disclosure is in accordance with the International Accounting Standard (IAS 20).

(c) Currency

The financial statements are expressed in United States Dollars (USD)

(d) Taxation

The institution is exempt from any form of taxation in Puntland State of Somalia.

(e) Property, Equipment and Depreciation

Property and equipment are stated at historical cost or valuation less depreciation

Depreciation provision is provided on a straight line basis, at annual rate estimated to write off each asset over the term of their expected useful lives.

(d) Registration

The organization is registered as a non-profit organization in Puntland, Somalia. The organization is domiciled in Puntland, Somalia.

(e) Currency Risk

The organization operates mainly within Puntland, Somalia and its assets and liabilities are reported in United States Dollars, thus no significant foreign currency risk exposure as at 31st December 2014.

(f) Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year

KALLO Aid and Development Organization
 Financial Statements
 For the year ended 31st December 2015

Notes

2 Property and equipment

	Buildings	Motor Vehicles	Furniture & Fittings	Equipment & Machines	Computers	Totals
	USD	USD	USD	USD	USD	USD
Year ended 31st December 2015						
At Cost	120,000	54,500	12,286	8,724	7,950	203,460
Accumulated depreciation	-	(37,316)	(4,640)	(4,897)	(6,635)	(53,489)
Net Carrying Values	120,000	17,184	7,646	3,827	1,315	149,971
At 31 December 2015						
Opening carrying values	120,000	27,695	8,739	4,373	2,169	162,976
Additions	-	14,351	-	-	678	15,029
Charge for the year	-	(10,512)	(1,092)	(547)	(854)	(13,005)
Closing Carrying Values	120,000	31,535	7,646	3,827	1,993	165,000
Year ended 31st December 2014						
At Cost	120,000	54,500	12,286	8,724	7,950	203,460
Accumulated depreciation	-	(26,805)	(3,547)	(4,351)	(5,781)	(40,484)
Net Carrying Values	120,000	27,695	8,739	4,373	2,169	162,976
At 31 December 2014						
Opening carrying values	120,000	36,927	9,987	4,998	3,098	175,010
Charge for the year	-	(9,232)	(1,248)	(625)	(929)	(12,034)
Closing Carrying Values	120,000	27,695	8,739	4,373	2,169	162,976

Notes

	2015	2014
	USD	USD
3 Receivables		
Grant receivables are recorded at expected realizable value.		
Grants due from UN HABITAT	-	31,309
Grants due from OXFAM	-	-
Grants due from NED	11,412	
Grants due from DPA	65,814	65,814
Grants due from DIAKONIA	2,250	16,362
	<u>79,476</u>	<u>113,485</u>
4 Trade payables		
Accrued expenses	2,700	2,700
	<u>2,700</u>	<u>2,700</u>
5 Cash and cash equivalents		
Cash and Bank Balances	<u>14,605</u>	<u>128,091.57</u>
6 Reserves		
Capital Reserves brought forward	401,852	414,450
Expenditure In excess of projects grants (2014)	(119,406)	
(Deficit)/Surplus for the year	(26,064)	(12,598)
Balance carried forward	<u>256,382</u>	<u>401,852</u>
7 Administration Expenses		
Repairs	-	18,824
Car hire	40,200	20,957
Electricity and Fuel	1,690	-
Internet and telephone	2,848	3,100
Office stationery/consumables	7,725	4,830
Translation,publication and printing	7,667	5,945
Meals and refreshments	50,045	-
Audit fees:-		
Current year	2,700	2,700
Previous year		2,700
Bank charges		700
	<u>112,875</u>	<u>59,756</u>

Notes

	2015 USD	2014 USD
8 Direct Project Expenses		
Direct project support-construction	9,316	60,406
Drama and sports /play activities		400
Facilitator Fee	5,600	142
Consultant/supervision fees	4,606	20,631
Payment of unconditional cash transfer		61,500
Participation meals/refreshments		3,377
Data collection costs		3,300
Meetings cost	8,364	1,905
Depreciation	13,005	12,034
Rent	19,195	6,400
Staff Salary	132,099	104,300
Staff Per Diem		6,405
Supplies and equipment	900	3,600
Monitoring and evaluation	67,530	720
Training expenses	35,199	122,463
Travel and accommodation	4,305	17,333
Radio Programmes and billboards	800	400
Purchase of CFW Tools and equipment		20,600
Workshop Stationery		40
	300,919	445,956

9 Surplus Income

The following is the break down of the surplus income from the respective donors:-

Name of donor agency	2015 USD	2014 USD
DIAKONIA	(6,513)	46,707
OXFAM	(2,617)	(52,800)
DPA	1,934	
UNICEF	-	
UNHCR	0	
NED	12,154	13,474
Other sources		23,865
Gross surplus	4,959	31,246
Less: Prepaid FAO project expenses		(26,410)
	4,959	4,836

Operating income and expenditure schedule

	Total USD	OXFAM USD	DPA- Wash USD	UNHCR	NED USD	UNICEF-HIV USD	DIAKONIA USD
Opening bank balance	30,347	-	-	-	2	-	30,346
Grant received during the year	387,729	60,525	104,643	100,011	22,909	85,530	14,112
Total Income	418,077	60,525	104,643	100,011	22,910	85,530	44,457
Direct Project Expenses :							
Direct project support	9,316	3,876	4,602		438		400
Facilitator Fee	5,600			5,600			
Consultant/supervision fees/contractual services	4,606			456	3,150	1,000	
Meetings cost	8,364		8,364				
Rent	19,195	4,560	4,030	7,200		3,100	305
Staff Salary	132,099	30,134	27,170	40,800	3,900	13,730	16,365
Supplies and equipment	900				900		
Awareness, Monitoring and evaluation	67,530		2,975	5,355		59,200	
Training expenses	35,199		31,599	3,600			
Travel and accomodation	4,305	2,760	825		720		
Radio Programmes, billboards and media costs	800			800			
	287,914	41,330	79,565	63,811	9,108	77,030	17,070
Administration Expenses:							
Repairs	-						
Capital expenditure	15,029		15,029				
Car hire	40,200	13,300		15,200		8,100	3,600
Electricity and Fuel	1,690	-	1,690				
Internet and telephone	2,848	-		1,200	1,648		
Office stationery/consumables	7,725	3,705	1,820	1,800		400	
Translation, publication and printing	7,667	4,807	2,860				
Meals and Refreshments	50,045		1,745	18,000			30,300
	125,204	21,812	23,144	36,200	1,648	8,500	33,900
Total Expenses	413,118	63,142	102,709	100,011	10,756	85,530	50,970
Surplus before transfer	4,959	(2,617)	1,934	0	12,154	-	(6,513)
Transfer to capital expenses		-	-				
(Deficit)/ Surplus for the year	4,959	(2,617)	1,934	0	12,154	-	(6,513)
Cash and bank balances	14,606	75.00	1,934	443	12,154	-	
		(9,129)					