



NOMADIC ASSISTANCE FOR PEACE AND DEVELOPMENT

Financial Statements and Accounts
For the Period Ended 28 February 2015

SOLOMON GEORGE & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS (K)
P.O. Box 3998 00100
Nairobi, Kenya.

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**Nomadic Assistance for Peace and Development (NAPAD)
Audited Financial Statements & Report
For The Year Ended 28 February 2015**

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Nomadic Assistance for Peace and Development (NAPAD)
Audited Financial Statements & Report
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Acronyms

FAO	- Food and Agriculture Organization of United Nations
NAPAD	- Nomadic Assistance for Peace and Development
MEDICO	- Medico International e.V.
KSHS	- Kenya Shillings
USD	- United States Dollars
TDH	-Terre Des Hommes
ACT!	- Act Change Transform
NCA	-Norwegian Church Aid
DAI	- Development Alternatives Incorporated

Nomadic Assistance for Peace and Development (NAPAD)
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For The Year Ended 28 February 2015

Corporate Information

Registered Office	Mandera Town P.O.Box 100 - 70300 Mandera, Kenya
Nairobi support Office	House No. 3, Wendy Court David Osieli Road, Off Waiyaki Way URL: www.napad.or.ke
Directors	Abdirashid A. Warsame -Chairman Mohamed Ahmed Arai -Executive Director/Secretary Nur Muse Abdi -Treasurer
Key Management Staff	Mohamed Ahmed Arai -Executive Director/Secretary Abdullahi Mohamed Hersi -Programme Coordinator Nur Muse Abdi -Finance Director
Auditors	Solomon George & Company Certified Public Accountants of Kenya P.O. Box 3998 - 00100 Nairobi URL: www.solomongeorgeCPA.com
Bankers	Equity Bank Ltd Mandera Branch P.O Box 536 - 70300 Mandera, Kenya

**Nomadic Assistance for Peace and Development (NAPAD)
Audited Financial Statements & Report
For The Year Ended 28 February 2015**

Directors' Report

The Directors have the pleasure of presenting their report together with the audited financial statements for the period ended 28 February, 2015.

1. NAPAD Background Information

NAPAD is registered as a Local NGO under Section 10 of the Non-Governmental organizations Co-ordination Act Laws of Kenya on 3rd December 2009.

2. Mission Statement

To promote peace and sustainable development amongst (agro) pastoralist communities in the Horn of Africa through social-economic empowerment and advocacy

3. Current NAPAD Projects

During the period under the audit, NAPAD implemented the following programs/projects:

- (a) Emergency Education Project in Gedo Funded by Trocaire
- (b) Community Disaster Recovery Project funded by Medico/TDH
- (c) Enhancing Community Resilience and Adoption to Climate Change Funded by ACTI
- (d) Community Dialogue Project Funded by DAI-TIS
- (e) Cash for Work Project Funded by FAO
- (f) Agricultural Inputs Distributions Funded by FAO
- (g) Gedo Recovery Project Funded by NCA

4. NAPAD Partners

NAPAD recognize donations and grants received from Governments, Corporations, Foundations and individuals.

The following are the key NAPAD partners/donors for the period ended 28 February 2015:

- (a) Medico International/TDH (b) FAO (c) TROCAIRE (d)ACT (e) DAI-TIS (f) NCA

5. Operations Results

The operating results are as set out on page 7

6. Directors

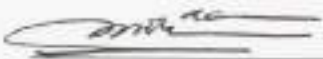
The Directors who served during the year, to date of this reports are as shown on page 2

7. Auditors

Solomon George & Company, Certified Public Accountants of Kenya have expressed their willingness to continue in office

BY ORDER OF THE BOARD

(For and on its behalf)



At Nairobi 22th May, 2015



**Nomadic Assistance for Peace and Development (NAPAD)
Audited Financial Statements & Report
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Statement of Directors' Responsibility

The Directors of Nomadic Assistance for Peace and Development are required to prepare financial statements which give a true and fair view of the state of affairs of the Organization as at the end of the period and of its operating results for that period.

The Directors are required to ensure that the Organization maintains proper accounting records which disclose, with reasonable accuracy, the financial position of the Organization. The Directors are also responsible for safeguarding the assets of the Organization.

The Directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, consistent with previous years, and in conformity with generally accepted non profit accounting principles and applicable International Financial Reporting Standards.

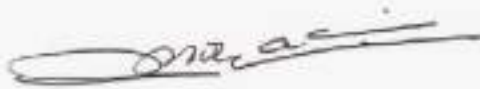
The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Organization as at 28 February, 2015 and of its operating results for the period then ended. The Directors further confirm the accuracy and completeness of the accounting 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.

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

Approved by the Board on 25th Mar, 2015 and signed on its behalf by:



Abdirashid A. Warsame
(Chairman)



Mohamed A. Arai
(Chief Executive Officer)



Auditors' Report No. 1

Auditors' Report on Financial Statements

To the members of:

Nomadic Assistance for Peace and Development (NAPAD)

Report on the Financial Statements

We have audited the accompanying financial statements set out on pages 5 to 13 of Nomadic Assistance for Peace and Development which comprise the balance sheet as at 28 February, 2015 and the operating statement, statement of changes in funds and cash flow statement for the period 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.

Responsibility for the Financial Statements

As stated on page 2 the Directors are responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted non-profit accounting principles and applicable International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal controls 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.

Responsibility of the Auditor

Our responsibility is to express an opinion on 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 depend on the auditor's 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 auditor considers 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 controls. 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, proper books of account have been kept and the accompanying financial statements, which are in agreement therewith, give a true and fair view of the financial position of Nomadic Assistance for Peace and Development as of 28 February, 2015, and of its financial performance and its cash flows for the period then ended in accordance with generally accepted non-profit accounting principles and applicable International Financial Reporting Standards.

Solomon George & Co

SOLOMON GEORGE & Co.
Certified Public Accountants of Kenya



Nairobi 25TH MAY, 2015

Nomadic Assistance For Peace and Development
Audited Financial Statements and Report
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INCOME	Note	2014 Usd	2015 Usd	2015 Kshs
Grants Income	7	1,106,199	1,660,482	149,443,400
Other Income		0	0	0
Total Income		<u>1,106,199</u>	<u>1,660,482</u>	<u>149,443,400</u>
EXPENDITURE				
Direct Project Costs				
Technical Staff Costs	8	242,256	326,791	29,411,153
Other - Works	8	782,315	1,321,335	118,920,181
Total Direct Project Costs		<u>1,024,571</u>	<u>1,648,126</u>	<u>148,331,334</u>
General Administration Cost				
Administration & Support Costs	8	48,883	76,381	6,874,332
Total General Administration Cost		<u>48,883</u>	<u>76,381</u>	<u>6,874,332</u>
Total Expenditure		<u>1,073,454</u>	<u>1,724,507</u>	<u>155,205,666</u>
Exchange Gain		0	0	0
Net Operating Balance for the period	Usd	<u>32,745</u>	Usd	<u>(64,025)</u>
			Kshs	<u>(5,762,266)</u>

Auditor's report - page 5

The notes on pages 10 to 14 form part of these financial statements

Nomadic Assistance For Peace and Development
Audited Financial Statements and Report
For The Year Ended 28 February 2015

Balance Sheet

	Note	2014 USD	2015 USD	2015 Kshs
FIXED ASSETS				
Property and Equipment	3	<u>24,906</u>	<u>23,714</u>	<u>2,134,296</u>
Current Assets				
Receivables	4	74,926	211,227	19,010,465
Cash and Bank	5	33,975	147,921	13,312,895
		<u>108,901</u>	<u>359,148</u>	<u>32,323,360</u>
Current Liabilities				
Payables and Accruals	6	76,156	243,910	21,951,935
Net Current Assets		<u>32,745</u>	<u>115,238</u>	<u>10,371,425</u>
Net Assets	Usd	<u>57,651</u>	Usd <u>138,952</u>	Kshs <u>12,505,721</u>
FINANCED BY:				
General Fund		(622)	(64,648)	(5,818,285)
Capital Fund		24,906	23,714	2,134,296
Project Funds		33,367	179,885	16,189,669
Total Fund	Usd	<u>57,651</u>	Usd <u>138,952</u>	Kshs <u>12,505,680</u>

These accounts were approved by the Executive Committee on 25th May, 2015
and signed on its behalf by:



Abdirashid A. Warsame
Chairman



Mohamed Ahmed Arai
Executive Director

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The notes on pages 10 to 14 form part of these financial statements



Nomadic Assistance For Peace and Development
Audited Financial Statements and Report
For The Year Ended 28 February 2015

Statement of Changes in Funds

	General Fund KSHS	Project Fund KSHS	Capital Fund KSHS	Total Fund KSHS
Balance As At 01.03.2013	0	1,129,565	1,977,423	9,571,479
Surplus/(Deficit) for the period	(56,019)	1,740,037	164,486	(6,464,491)
Balance As At 28.02.2014	<u><u>(56,019)</u></u>	<u><u>2,869,603</u></u>	<u><u>2,141,909</u></u>	<u><u>4,955,492</u></u>
Balance As At 01.03.2014	(56,019)	2,869,603	2,141,909	4,955,492
Surplus/(Deficit) for the period	(5,762,266)	13,320,067	(7,613)	7,550,188
Balance As At 28.02.2015	<u><u>(5,818,285)</u></u>	<u><u>16,189,669</u></u>	<u><u>2,134,296</u></u>	<u><u>12,505,680</u></u>

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The notes on pages 10 to 14 form part of these financial statements

Nomadic Assistance For Peace and Development
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Cash Flow Statement

	2015	2014
	Kshs	Kshs
Cashflows from Operating Activities		
Net Operating Balance for the year (page 7)	(5,762,266)	(18,720)
<i>Adjustments for:</i>		
Increase (Decrease) in Capital Fund	527,800	795,014
Depreciation	1,192	
Decrease (Increase) in project funds	13,186,597	1,733,897
<i>Changes in working capital:</i>		
(Increase) Decrease in receivables, prepayments and dep	(11,156,734)	1,015,046
(Decrease) Increase in payables and accruals	14,122,253	(68,254)
Net Cashflows from Operating Activities	<u>10,918,842</u>	<u>3,456,982</u>
Cashflows from Investing Activities		
Purchase of fixed assets	<u>(527,800)</u>	<u>(795,014)</u>
Increase / (Decrease) in Cash and Cash Equivalents	<u>10,391,042</u>	<u>2,661,968</u>
Movement in Cash and Cash Equivalents		
Cash and Cash Equivalents b / f	2,921,853	259,885
Net Increase / (Decrease) in Cash and Cash Equivalents	10,391,042	2,661,968
Cash and Cash Equivalents c / f - 28.02.2015	<u>13,312,895</u>	<u>2,921,853</u>

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The notes on pages 10 to 14 form part of these financial statements

Nomadic Assistance for Peace and Development (NAPAD)
Audited Financial Statements & Report
For The Year Ended 28 February 2015

1. BACKGROUND INFORMATION

(a) Legal Status

Nomadic Assistance for Peace and Development is registered in Kenya as a non-profit organisation under section 10 of the Non-Governmental Organizations Co-ordination Act:

(b) Registered Office

The registered address of the office is Wendy Court, David Osieli Road, P. O. Box 100-70300 Mandera, Kenya.

2. ACCOUNTING POLICIES

(a) Basis of Accounting

The accounts are prepared in accordance with the historical cost convention and on accrual basis.

(b) Income

Income represents funding/transfers from the donors.

(c) Expenditure

Expenditure is recognized when payments are made. Accruals are made for expenses incurred but not paid for at year end.

(d) Property & Equipment

Fixed assets are reflected in the balance sheet on a memorandum basis. Memorandum accounts (property and equipment and capital fund) are maintained to track/ capture the carrying amount of fixed assets through the balance sheet. A fixed assets register is maintained to track the fixed assets for Nomadic Assistance for Peace and Development.

Fixed assets are stated at cost less accumulated depreciation calculated using the straight line method. The rates in use are as follows:-

<u>Asset Category</u>	<u>Annual Rate (%)</u>
Office Equipment	12.5
Computers and Accessories	30.0
Motor Vehicles	25.0

Fixed assets purchased or donated to the organization are expensed on acquisition.

(e) Foreign Currency

Transactions in currencies other than US Dollars (US \$) are converted to base currency (US \$) using the rates ruling at the date of the transaction. Any exchange differences are written off through the operating statement.

(f) Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand and cash at bank less any overdrafts.

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The notes on pages 10 to 15 form part of these financial statements

**Nomadic Assistance for Peace and Development (NAPAD)
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Adoption of new and revised standards

The following are the new and revised standards and interpretations that became effective for the first time in financial year 2014 and have been adopted by the Foundation where applicable and relevant to its operations.

- i. Amendments to IFRS 10 (Consolidated Financial Statements), IFRS 12 (Disclosure of Interests in Other Entities) and IAS 27 (Separate Financial Statements) mainly affecting disclosures for investment entities.
- ii. Amendments to IAS 32 (Financial Instruments) requires disclosure on offsetting financial assets and financial liabilities
- iii. Amendments to IAS 36 (Impairment of Assets) - Requires recoverable amount disclosures for non-financial assets.
- iv. Amendments to IAS 39 (Financial Instruments: Recognition and Measurement) – Requires disclosure on novation of derivatives and continuation of hedge accounting.
- v. Amendments to IAS 19 Employee Benefits (Amended in 2011) – Additional disclosures on defined benefit plans (employee contributions).
- vi. IFRIC 21 (Levies)

The adoption of these new and revised standards had no material effect on the Foundation's accounting policies or disclosures.

k. Standards, interpretations and amendments to published standards that are not yet effective

The following are amendments to existing standards and issue of new standards which will become effective after the financial year 2014, but which the Foundation has not adopted earlier than the effective date and as applicable:

- i. Effective 1 January, 2015 - Amendments to IFRS 7 (Financial Instruments), Mandatory Effective Date and Transition Disclosures
- ii. Effective 1 January, 2016 - Amendments to IAS 16 (Property, Plant and Equipment) and IAS 41 (Agriculture). Agriculture: Bearer Plants defined as living plants. To be applied in accordance with specific requirements in IAS 16 and IAS 41
- iii. Effective 1 January, 2016 - Amendments to IAS 27 (Separate Financial Statements) - Amended in 2011. Equity Method in Separate Financial Statements
- iv. Effective 1 January, 2017 - IFRS 15 (Revenue from Contracts with Customers). To be applied in accordance with specific requirements in IFRS 15
- v. Effective 1 January, 2018 - Amendments to IFRS 7 (Financial Instruments: Disclosures). To be applied simultaneously with IFRS 9 and in accordance with specific requirements in IFRS 7
- vi. Effective 1 January, 2018 - IFRS 9 - Financial Instruments. New in 2014; replaces IAS 39 and IFRIC 9 and earlier versions of IFRS 9.

These additional requirements will not have any significant impact on the financial statements.

Nomadic Assistance For Peace and Development
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Notes to the Financial Statements (Cont'd)

3. PROPERTY AND EQUIPMENTS

	Furniture & Fittings Kshs	Office Appliances Kshs	Computers & Accessories Kshs	Motor Vehicles Kshs	Total Kshs
Cost					
Balance b /f	969,398	500,081	1,800,503	830,000	4,099,982
Additions	0	527,800	0	0	527,800
Balance At 28/02/2015	<u>969,398</u>	<u>1,027,881</u>	<u>1,800,503</u>	<u>830,000</u>	<u>4,627,782</u>
Depreciation					
Balance b /f	410,123	170,059	898,047	479,844	1,958,073
Charge for the year	69,909	107,228	270,737	87,539	535,413
Balance At 28/02/2015	<u>480,033</u>	<u>277,287</u>	<u>1,168,783</u>	<u>567,383</u>	<u>2,493,486</u>
Net Book Value					
Balance At 28/02/2015	<u>489,365</u>	<u>750,594</u>	<u>631,719</u>	<u>262,617</u>	<u>2,134,296</u>
Balance At 28/02/2014	<u>559,275</u>	<u>330,022</u>	<u>902,456</u>	<u>350,156</u>	<u>2,141,909</u>

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The notes on pages 10 to 14 form part of these financial statements

Nomadic Assistance For Peace and Development
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Notes to the Financial Statements (Cont'd)

	2015	2015
4. RECEIVABLES & PREPAYMENTS	US \$	Kshs
FAO	125,947	11,335,230
TROCAIRE	85,275	7,674,772
DAI	5	463
Total Receivables & Prepayments	US \$ <u>211,227</u>	Kshs <u>19,010,465</u>
5. CASH & BANK		
Equity USD	93,574	8,421,661
Equity KSH	54,347	4,891,234
Total Cash & Bank Balances	<u>147,921</u>	<u>13,312,895</u>
6. PAYABLES AND ACCRUALS		
Dhubad Trading Company	122,700	11,043,000
Kenwan	14,310	1,287,935
Mandera Women Group	15,033	1,353,000
Goodwill Construction Company	75,200	6,768,000
Muzamil Pharmaceutical	16,667	1,500,000
Total Payables and Accruals	<u>243,910</u>	<u>21,951,935</u>
7. GRANTS RECEIVED		
FAO	64,643	5,817,870
MEDICO	919,407	82,746,608
TROCAIRE	212,078	19,087,036
ACT	150,759	13,568,301
NCA	57,968	5,217,120
DAI	44,400	3,996,000
Total Grants Received	US \$ <u>1,449,255</u>	Kshs <u>130,432,936</u>

Auditor's report - page 5

The notes on pages 10 to 14 form part of these financial statements

Nomadic Assistance For Peace and Development
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Notes to the Financial Statements (Cont'd)

8. GRANT ACCOUNTABILITY

	FAO USD	MEDICO/TDH USD	TROCAIRE USD	ACT USD	NCA USD	DAI USD	TOTAL USD	TOTAL Kshs
GRANTS RECEIVED								
FAO	64,643						64,643	5,817,870
MEDICO/TDH		919,407					919,407	82,746,608
TROCAIRE			212,078				212,078	19,087,036
ACT				150,759			150,759	13,568,301
NCA					57,968		57,968	5,217,120
DAI						44,400	44,400	3,996,000
TOTAL GRANTS RECEIVED	64,643	919,407	212,078	150,759	57,968	44,400	1,449,255	130,432,936
EXPENDITURE								
TECHNICAL STAFF								
Salaries	96,025	157,215	21,429	33,122	6,000	13,000	326,791	29,411,153
TOTAL TECHNICAL STAFF	96,025	157,215	21,429	33,122	6,000	13,000	326,791	29,411,153
ADMINISTRATION & SUPPORT COSTS								
Communication	2,344	3,240	153	793	600	0	7,130	641,661
Office Costs	1,563	9,221	4,884	1,669	607	3,010	20,954	1,885,846
Bank Charges	0	442	0	129	0	60	631	56,768
Equipment	0	5,864	0	0	0	0	5,864	527,800
Project Audit	0	5,858	0	0	0	0	5,858	527,207
Rent and rates	12,750	21,056	0	0	839	1,250	35,945	3,235,050
TOTAL ADMINISTRATION & SUPPORT	16,657	45,681	5,037	2,590	2,096	4,320	76,381	6,874,332
ACTION COSTS								
Hire of Vehicles	57,711	55,624	1,556	20,683	3,000	6,000	144,574	13,011,697
Direct Costs	20,197	523,899	269,332	74,763	23,575	21,085	932,851	83,956,549
TOTAL ACTION COSTS	77,908	579,524	270,887	95,446	26,575	27,085	1,077,425	96,968,246
Exchange (Gain)/Loss	0	0	0	0	0	0	-	0
TOTAL EXPENDITURE	190,590	782,420	297,353	131,158	34,671	44,405	1,480,597	133,253,731
(Deficit) / Balance c/f	(125,947)	136,987	(85,275)	19,601	23,297	(5)	(31,342)	(2,820,795)

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The notes on pages 10 to 14 form part of these financial statements

Nomadic Assistance for Peace and Development (NAPAD)
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9. TAXATION

No provision for corporate tax has been made in these accounts. The organization qualifies for exemption from corporate tax under paragraph 10 of the 1st schedule to the Income Tax Act, Cap. 470 (Laws of Kenya).

10. CURRENCY

The financial statements for the year ended 28 February, 2015 are presented in Kenya shillings.

11. CAPITAL COMMITMENTS

There were no capital commitments as at 28 February, 2015.

12. EMPLOYEES

There were 26 employees as at 28 February, 2015.

13. STAFF RETIREMENT BENEFITS SCHEME

The organization contributes to the National Social Security Fund (NSSF) of the Republic of Kenya.

Auditor's report – page 5

The notes on pages 10 to 15 form part of these financial statements

Auditors' Report No. 2

Auditors' Report on Propriety of Expenses and Internal Controls

To the members of:

Nomadic Assistance for Peace and Development (NAPAD)

We have examined the statements of expenditure submitted by NAPAD in support of the funds requested, received and expended pursuant to the terms of the various donors. The statements examined comprised a full account of the expenditure made during the year ended 28 February 2015 from the funds received from various donors.

Our examination was conducted in accordance with International Standards on Auditing and accordingly included such tests of accounting records and other auditing procedures we considered necessary in the circumstances.

In our opinion:

- (i) The above statements of expenditure presents fairly in all material respects the expense transactions that have occurred during the year ended 28 February 2015.
- (ii) All material expenses presented are bona fide expenses incurred in accordance with the terms of the Project and Grants Agreement with various donors.
- (iii) All material expenses presented are in agreement with the necessary supporting documentation.
- (iv) All such expense transactions have been correctly incorporated in the audited project financial statements For the Year ended 28 February 2015.

Solomon George & Co

Solomon George & Company
Certified Public Accountants of Kenya
Nairobi



Date *25TH MAY*2015

Auditors' Report No. 3

**Auditors' Report on Compliance with Agreements Terms, Applicable Laws and Regulations
To the members of:
Nomadic Assistance for Peace and Development (NAPAD)**

We have audited the financial statements of NAPAD for the year ended 28 February 2015 and have issued our report thereon.

We conducted our audit in accordance with the engagement letter and in context of the International Standards on Auditing issued by the International Federation of Accountants (IFAC), that require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

Compliance with financing agreements' terms, laws and regulations applicable to NAPAD Trust is the responsibility of the Directors.

As part of our obtaining reasonable assurance whether the financial statements are free of material misstatement we performed tests of compliance with the provisions of agreements terms, laws and regulations. However, our objective was not to provide an opinion on the overall compliance with such provisions. Accordingly, we do not express such an opinion.

Material instances of non-compliance include failure to follow requirements, or violations of agreements terms, laws and regulations that would cause us to conclude that the aggregation of misstatements resulting from those failures or violations is material to the financial statements.

The results of our tests of compliance did not disclose any material instances of non-compliance.

Solomon George EP Co

Solomon George & Company
Certified Public Accountants of Kenya
Nairobi

Date *25TH MAY* 2015

