



**NOMADIC ASSISTANCE FOR PEACE
AND DEVELOPMENT**

**Financial Statements and Accounts
For the Period Ended 28 February 2014**

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

Nomadic Assistance for Peace and Development (NAPAD)
Audited Financial Statements & Report
For The Year Ended 28 February 2014

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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 c.V.

Kshs - Kenya Shillings

USD - United States Dollars

Nomadic Assistance for Peace and Development (NAPAD)
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Corporate information

Registered Office	Mandera Town P.O.Box 100 - 70300 Mandera, Kenya
Nairobi support Office	House No. 8, 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:
Bankers	Equity Bank Ltd Mandera Branch P.O Box 536 - 70300 Mandera, Kenya

**Nomadic Assistance for Peace and Development (NAPAD)
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Directors' Report

The Directors have the pleasure of presenting their report together with the audited financial statements for the period ended 28 February, 2014.

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) Baseline Survey Funded by Medico/TDH
- (c) Cash For Work Funded by FAO

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 2014:

- (a) Medico International/TDH
- (b) FAO
- (c) TROCAIRE

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 25th June, 2014

Nomadic Assistance for Peace and Development (NAPAD)
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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.

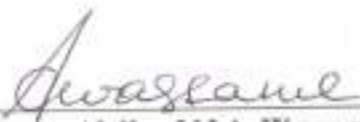
The Directors are required to ensure that the Organization maintains proper accounting records which disclose, with reasonable accuracy, the financial position of the Organization. The Directors are also responsible for safeguarding the assets of the Organization.

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, 2014 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 June, 2014 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, 2014 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, 2014, 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 June 2014

Nomadic Assistance For Peace and Development
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INCOME	Note	2013 Usd	2014 Usd	2014 Kshs
Grants Income	7	741,488	1,107,012	95,203,029
Other Income		0	0	0
Total Income		<u>741,488</u>	<u>1,107,012</u>	<u>95,203,029</u>
EXPENDITURE				
Direct Project Costs				
Technical Staff Costs	8	77,897	242,256	20,834,004
Other - Works	8	638,818	783,128	67,349,028
Total Direct Project Costs		<u>716,715</u>	<u>1,025,384</u>	<u>88,183,032</u>
General Administration Cost				
Administration & Support Costs	8	25,177	48,883	4,203,925
Total General Administration Cost		<u>25,177</u>	<u>48,883</u>	<u>4,203,925</u>
Total Expenditure		<u>741,892</u>	<u>1,074,267</u>	<u>92,386,956</u>
Exchange Gain		0	0	0
Net Operating Balance for the period		Usd <u>(405)</u>	Usd <u>32,745</u>	Kshs <u>2,816,073</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 2014

Balance Sheet				
	Note	2013 USD	2014 USD	2014 Kshs
FIXED ASSETS				
Property and Equipment	3	<u>22,993</u>	<u>24,906</u>	<u>2,141,909</u>
Current Assets				
Receivables	4	86,729	74,926	6,443,636
Cash and Bank	5	3,022	33,975	2,921,853
		<u>89,751</u>	<u>108,901</u>	<u>9,365,489</u>
Current Liabilities				
Payables and Accruals	6	76,950	76,156	6,549,416
Net Current Assets		<u>12,801</u>	<u>32,745</u>	<u>2,816,073</u>
Net Assets		<u>Usd 35,794</u>	<u>Usd 57,651</u>	<u>Kshs 4,957,982</u>
FINANCED BY:				
General Fund		(405)	(622)	(53,530)
Capital Fund		22,993	24,906	2,141,909
Project Funds		13,206	33,367	2,869,603
Total Fund		<u>Usd 35,794</u>	<u>Usd 57,651</u>	<u>Kshs 4,957,982</u>

These accounts were approved by the Executive Committee on 25th June, 2014 and signed on its behalf by:



Abdirashid A. Warsame
 Chairman



Mohamed Ahmed Arai
 Executive Director

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Statement of Changes in Funds

	General Fund KSHS	Project Fund KSHS	Capital Fund KSHS	Total Fund KSHS
Balance As At 01.03.2012	0	7,969,901	1,601,578	9,571,479
Surplus/(Deficit) for the period	0	(6,840,336)	375,846	(6,464,491)
Balance As At 29.02.2013	<u>0</u>	<u>1,129,565</u>	<u>1,977,423</u>	<u>3,106,989</u>
Balance As At 01.03.2013	0	1,129,565	1,977,423	3,106,989
Surplus/(Deficit) for the period	(53,530)	1,740,037	164,486	1,850,993
Balance As At 28.02.2014	<u>(53,530)</u>	<u>2,869,603</u>	<u>2,141,909</u>	<u>4,957,982</u>

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Cash Flow Statement

	2014	2013
	Kshs	Kshs
Cashflows from Operating Activities		
Net Operating Balance for the year (page 7)	(18,720)	(34,810)
<i>Adjustments for:</i>		
Increase (Decrease) in Capital Fund	795,014	498,270
Decrease (Increase) in project funds	1,733,897	(3,792,365)
<i>Changes in working capital:</i>		
 (Increase) Decrease in receivables, prepayments and dep	 1,015,046	 33,099,051
(Decrease) Increase in payables and accruals	(68,254)	(37,751,225)
Net Cashflows from Operating Activities	<u>3,456,982</u>	<u>(7,981,079)</u>
 Cashflows from Investing Activities		
 Purchase of fixed assets	 <u>(795,014)</u>	 <u>(498,270)</u>
Increase / (Decrease) in Cash and Cash Equivalents	<u>2,661,968</u>	<u>(8,479,349)</u>
 Movement in Cash and Cash Equivalents		
 Cash and Cash Equivalents b / f	 259,885	 8,739,234
 Net Increase / (Decrease) in Cash and Cash Equivalents	2,661,968	(8,479,349)
Cash and Cash Equivalents e / f - 28.02.2014	<u>2,921,853</u>	<u>259,885</u>

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Nomadic Assistance for Peace and Development (NAPAD)
Audited Financial Statements & Report
For The Year Ended 28 February 2014

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 14 form part of these 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	Office Appliances	Computers & Accessories	Motor Vehicles	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Cost					
Balance b /f	969,398	500,081	1,005,489	830,000	3,304,968
Additions	0	0	795,014	0	795,014
Balance At 28/02/2014	<u>969,398</u>	<u>500,081</u>	<u>1,800,503</u>	<u>830,000</u>	<u>4,099,982</u>
Depreciation					
Balance b /f	330,227	122,913	511,280	363,125	1,327,545
Charge for the year	79,896	47,146	386,767	116,719	630,528
Balance At 28/02/2014	<u>410,123</u>	<u>170,059</u>	<u>898,047</u>	<u>479,844</u>	<u>1,958,073</u>
Net Book Value					
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>
Balance At 29/02/2013	<u>639,171</u>	<u>377,168</u>	<u>494,209</u>	<u>466,875</u>	<u>1,977,423</u>

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

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Notes to the Financial Statements (Cont'd)

	2014	2014
	US \$	Kshs
4. RECEIVABLES & PREPAYMENTS		
FAO	51,193	4,402,598
TROCAIRE	23,733	2,041,038
Medico/TDH	0	0
Total Receivables & Prepayments	US \$ <u>74,926</u>	Kshs <u>6,443,636</u>
5. CASH & BANK		
Equity USD	16,185	1,391,875
Equity KSH	17,790	1,529,978
Total Cash & Bank Balances	<u>33,975</u>	<u>2,921,853</u>
6. PAYABLES AND ACCRUALS		
Dhubad Trading Company	23,733	2,041,038
Tamaam Trading Company	22,180	1,907,480
Abdi Fitah Farey	243	20,898
Jubba Management & Business Consultants	30,000	2,580,000
Total Payables and Accruals	<u>76,156</u>	<u>2,580,000</u>
7. GRANTS RECEIVED		
MEDICO	809,024	69,576,047
FAO	144,886	12,460,196
TROCAIRE	153,102	13,166,786
Total Grants Received	US \$ <u>1,107,012</u>	Kshs <u>95,203,029</u>

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

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Notes to the Financial Statements (Cont'd)

8. GRANT ACCOUNTABILITY

	FAO USD	MEDICO USD	TROCAIRE USD	TOTAL USD	TOTAL Kshs
GRANTS RECEIVED					
FAO	144,886			144,886	12,460,196
MEDICO		809,024		809,024	69,576,047
TROCAIRE			153,102	153,102	13,166,786
TOTAL GRANTS RECEIVED	<u>144,886</u>	<u>809,024</u>	<u>153,102</u>	<u>1,107,012</u>	<u>95,203,029</u>
EXPENDITURE					
TECHNICAL STAFF					
Salaries	91,860	112,029	38,367	242,256	20,834,004
TOTAL TECHNICAL STAFF	<u>91,860</u>	<u>112,029</u>	<u>38,367</u>	<u>242,256</u>	<u>20,834,004</u>
ADMINISTRATION & SUPPORT COSTS					
Communication	2,980	5,696	1,317	9,992	859,339
Office Costs	1,485	8,754	3,604	13,842	1,190,404
Bank Charges		259		259	22,293
Equipment	0	9,244	0	9,244	795,014
Rent and rates	2,100	13,445	0	15,545	1,336,875
TOTAL ADMINISTRATION & SUPPORT	<u>6,565</u>	<u>37,398</u>	<u>4,920</u>	<u>48,883</u>	<u>4,203,925</u>
ACTION COSTS					
Hire of Vehicles	44,806	58,668	18,867	122,342	10,521,386
Direct Costs	2,885	566,953	90,948	660,787	56,827,642
TOTAL ACTION COSTS	<u>47,691</u>	<u>625,622</u>	<u>109,815</u>	<u>783,128</u>	<u>67,349,028</u>
Exchange (Gain)/Loss	<u>0</u>	<u>0</u>	<u>0</u>	<u>-</u>	<u>0</u>
TOTAL EXPENDITURE	<u>146,116</u>	<u>775,049</u>	<u>153,102</u>	<u>1,074,267</u>	<u>92,386,956</u>
(Deficit) / Balance c/f	<u>(1,230)</u>	<u>33,975</u>	<u>0</u>	<u>32,745</u>	<u>2,816,073</u>

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

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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, 2014 are presented in Kenya shillings.

11. CAPITAL COMMITMENTS

There were no capital commitments as at 28 February, 2014.

12. EMPLOYEES

There were 12 employees as at 28 February, 2014.

13. STAFF RETIREMENT BENEFITS SCHEME

The organization does not contribute to the National Social Security Fund (NSSF) of the Republic of Kenya. The organization has no retirement benefit scheme in place.

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 2014 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 2014.
- (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 2014.

Solomon George & Co
Solomon George & Company
Certified Public Accountants of Kenya
Nairobi



Date *25th June* 2014

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 2014 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 & Co

Solomon George & Company
Certified Public Accountants of Kenya
Nairobi



Date 25th June 2014