KENYA NGO ALLIANCE AGAINST MALARIA

REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2010

KENYA NGO ALLIANCE AGAINST MALARIA

AUDITED FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER, 2010

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KENYA NGO ALLIANCE AGAINST MALARIA
AUDITED FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER, 2010

Independent Auditor

Maina Kinyua & Co. Certified Public Accountants P. O. Box 4625 00100 – GPO NAIROBI, KENYA

ORGANISATION'S INFORMATION

1. BOARD OF DIRECTORS:

Athuman Chiguzo Chairman Edward Mwangi C.E.O Jane Owino Director Peter Ofware - Director Abraham Afeworki Director Nasra Ali Director Stanley Kiplangat Director

Deborah Modi

Director

2. REGISTERED OFFICE:

KeNAAM

AMREF Country Office

1st Floor,

Off Langata Road

NAIROBI

3. INDEPENDENT AUDITORS:

Maina Kinyua &Co

Certified Public Accountants (Kenya).

P.O BOX 4625-00100. Nairobi -Kenya.

Email:Consultants@servemanagement.biz

4. PRINCIPAL BANKERS:

Chase Bank Ltd.

P.O. Box 28987 - 00200

NAIROBI

DIRECTORS' REPORT

REPORT OF THE DIRECTORS

The directors submit their report and audited financial statements for the year ended 31 December, 2010 which disclose the state of affairs KeNAAM as at that date.

INCORPORATION

The organisation is registered in Kenya on 15 March 2006, under Sec 10 of the NGOs Coordination Act through Registration Certificate No. OP.218/051/2005/0436/3960.

The organisation was created based on the need for a central entity that could map out and coordinate civil society resources, skills, and programmes, as well as translate government policies into actionable interventions for local community-based organisations (CBOs), enabling civil society to participate more in the national fight against malaria by mobilising for additional resources for malaria programming

PRINCIPAL ACTIVITIES

The Kenya NGOs Alliance Against Malaria (KeNAAM) is a network of Kenyan civil society organisations (CSOs) working to eradicate malaria in Kenya.

RESULTS

The results of the Organisation for the year are set out on page 6.

DIRECTORATE

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

INDEPENDENT AUDITORS

During the year, M/S Maina Kinyua & Co. were appointed as the organisation's auditors and have expressed their willingness to continue in office in accordance with Section 159(2) of the Kenyan Companies Act.

By order of the Directors (for and on its behalf)

Edward Mwangi (Chief Executive Officer) Nairobi 10 4, 2012

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors of Kenya NGO Alliance Against Malaria are required to prepare financial statements which give a true and fair view of the financial position of the entity as at the end of the financial year and of the operating results of the entity for that year. The Directors are required to ensure that the entity maintains proper accounting records which disclose, with reasonable accuracy, the financial position of the entity. The Directors are also responsible for safeguarding the assets of the entity.

The Directors accept responsibility for the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error, which have been prepared using generally accepted non-profit accounting principles and applicable International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the NGO Co-ordination Act. The Directors further confirm the accuracy and completeness of the accounting records maintained by the company 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.

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 31 December, 2010 and its operating results and cash flows for the year then ended in accordance with applicable International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the NGO Co-ordination Act.

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 statement.

Approved by the Board of Directors on _______, 2012 and signed by:-

Athuman Chiguzo (Board Chairman)

(Chief Executive Officer)



Certified Public Accountants (K)

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4th Floor, Koinange Street
P. O. Box 4625 - 00100
G.P.O, Nairobi, Kenya
Cell: +254 786 623 611 / +254 716 692 471
Email: maina@servemanagement.biz
consultant@servemanagement.biz

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF: KENYA NGO ALLIANCE AGAINST MALARIA - YEAR ENDED 31 DECEMBER, 2010

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements set out on pages 6 to 15 of Kenya NGO Alliance Against Malaria, which comprise the statement of financial position as at 31 December, 2010 and the statement of comprehensive income, statement of changes in funds and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes

RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

As stated on page 3, 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 for Small and Medium-sized Entities. 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 independent 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 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 financial position of the organization as at 31 December, 2010, and of the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles and applicable International Financial Reporting Standards for Small and Medium-sized Entities and comply with the NGO Co-ordination Act.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF : KENYA NGO ALLIANCE AGAINST MALARIA FOR THE YEAR ENDED 31ST DECEMBER 2010

REPORT ON OTHER LEGAL REQUIREMENTS

As required by the NGO Co-ordination Act 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 company, so far as appears from our examination of those books; and
- iii) the company's statement of financial position and statement of income are in agreement with the books of accounts.

Maina Kinyua &Co

Certified Public Accountants

Nairobi

PIN: A 004787068 P

05 / Q3 /2012

STATEMENT OF COMPREHENSIVE INCOME

	Note	2010 Kshs
INCOME		
Grants Received	3(A)	6,563,243
		6,563,243
Other Income	3(B)	317,612
Total Income	Kshs	6,880,855
EXPENDITURE	8	
Personell Costs	(A)	3,097,375
Programme Materials	(B)	141,913
Travel & Accommodation	(C)	1,135,414
Workshops and Seminars	(D)	3,181,657
Secretariat Office Cost	(E)	895,815
Total Expenditure		8,452,174
Operating balance before taxation		(1,571,319)
Taxation		
Taxation		
(DEFICIT) / BALANCE FOR THE YEAR		(1,571,319)

STATEMENT OF AFFAIRS	Note	2010
ASSETS	NOTE	Kshs
Non-Current Assets		
Property and Equipment	8	834,295
Current Assets		
Accounts Receivable Cash and Cash Equivalents	5 4	178,601 178,601
LIABILITIES		
Current Liabilities Accounts Payable	6	1,489,505 1,489,505
Net Current Assets		(1,310,904)
NET ASSETS		(476,609)
FINANCED BY:		
General Project Fund (page 9) TOTAL FUND BALANCE		(476,609) (476,609)

These financial statements were approved by the Board of Directors on 104, 2012 and signed by:

Afhuman Chiguzo (Board Chairman)

Edward Mwang

(Chief Executive Officer)

STATEMENT OF CASH FLOWS	2010 Кsнs
Cash Flows from Operating Activities	
(Deficit) / Surplus for the Year Adjustments for:	(1,571,319)
Depreciation Interest Income	260,415 (3,287)
Change in Working Capital Increase in Accounts Receivable Decrease in Accounts Payable	- 1,489,505
Net changes in Working Capital	1,489,505
Tax: Paid Interest Income	- 3,287
Net Cash Flow from Operating Activities	178,601
Cash Flows From Investing activities Purchase of Property and Equipment	
Net Cash Flow from Investing Activities	H
Net (Decrease) / Increase in Cash and Cash Equivalents	178,601
Movement in Cash and Cash Equivalents:- Cash and Cash Equivalents at start of year	-
Net (Decrease) / Increase in Cash and Cash Equivalents	178,601
Cash and Cash Equivalents at end of year	178,601

STATEMENT OF CHANGES IN FUND BALANCE

GENERAL PROJECT FUND

> 2010 Kshs

Balance at start of year

1,094,710

Surplus/ (Deficit) Balance for the year (Page 6)

(1,571,319)

BALANCE AT END OF YEAR

(476,609)

NOTES TO THE FINANCIAL STATEMENTS

1. BACKGROUND INFORMATION

(A) LEGAL STATUS

KeNAAM is registered in Kenya on 15 March 2006, under Sec 10 of the NGOs Co-ordination Act through Registration Certificate No. OP.218/051/2005/0436/3960.

The organisation was created based on the need for a central entity that could map out and coordinate civil society resources, skills, and programmes, as well as translate government policies into actionable interventions for local community-based organisations (CBOs), enabling civil society to participate more in the national fight against malaria by mobilising for additional resources for malaria programming.

(B) PRINCIPLE ACTIVITIES

The Kenya NGOs Alliance Against Malaria (KeNAAM) is a network of Kenyan civil society organisations (CSOs) working to eradicate malaria in Kenya:

- (a) To conduct and carry out malaria advocacy among all stakeholders and the public in Kenya;
- (b) To provide an opportunity to integrate malaria interventions into health and other related development interventions through proactive social and administrative mobilization of the civil society;
- (c) To mobilize additional resources for scaling up malaria prevention and control activities;
- (d) To enhance greater engagement of non-governmental organization and private sector actors as players in the Roll Back Malaria initiatives at community, district, provincial and national levels by increasing the voice of civil society in relevant forums;
- (e) To provide leadership and coordination of the non-governmental, community-based, and faith-based organizations, and the private sector, in scaling up evidence-based malaria control and prevention activities;
- (f) To facilitate dialogue and better domestic understanding of national and global health policies and tools;
- (g) To enhance coordination amongst different stakeholders in the fight against malaria; and
- (h) To facilitate accelerated implementation and scaling up of best practices.

2. SIGNIFICANT ACCOUNTING POLICIES

A) BASIS OF PREPARATION

The financial statements are prepared under the historic cost convention in accordance with generally accepted non-profit accounting principles and applicable International Financial Reporting Standards for Small and Medium-sized Entities.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONT...)

B) INCOME

Income comprise donations and interest earned on deposits. Income is recognized in the financial statements on the date received or if confirmed to have been in transit at the balance sheet date

C) EXPENDITURE

Expenditure is recognized when incurred. However, accruals are made for outstanding liabilities at the end of the financial period.

D) PROPERTY AND EQUIPMENT

All categories of property and equipment purchased or donated are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the reducing balance method. The following annual rates are used for the depreciation of property

Asset Category	Rate - %	
Computers & Perepherals	30	
Furniture & Fixtures	12.5	

E) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, term and call deposits with banking institutions.

F) ACCOUNTS RECEIVABLE

Receivables arise in the ordinary course of operations when the organisation makes payments in advance or gives advances to staff.

G) ACCOUNTS PAYABLE

Accounts payable arise in the ordinary course of business where the organization receives goods and services and pays for them at a later date.

H) TAXATION

Provision for corporate tax has not been included in these financial statements. The organisation's income is exempted from tax in accordance with paragraph 10 of the 1st schedule of the Income Tax Act Cap. 470 (Laws of Kenya. The management is in process of applying to KRA for a formal grant of a tax exemption.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONT...)

I) TRANSLATION OF FOREIGN CURRENCIES

Transactions in foreign currencies during the year are converted into Kenya Shillings (the functional currency) using the exchange rate prevailing at the transaction date. Monetary assets and liabilities at the balance sheet date denominated in foreign currencies are translated into Kenya Shillings using the exchange rate prevailing at that date. The resulting gains and losses from the settlement of such transactions and translations are recognised on a net basis in the statement of comprehensive income in the year in which they arise.

J) COMPARATIVES

Where necessary, the comparative figures have been adjusted to conform with the presentation in the current period.

3. INCOME (a) GRANTS RECEIVED	2010 Kshs
Malaria Communities Project Other Grants	1,783,530 4,779,712 6,563,243
(B) OTHER INCOME Member Subsciption-2010 Interest Income Others	154,000 3,287 160,326 317,612
4. CASH AND CASH EQUIVALENTS Cash at Bank Dollar A/c - MCP Dollar A/c - Savings Euro A/c - Savings Dollar Cash Account Cash in Hand	119,952 8,696 17,966 321,282 (213) (289,082) 178,601
5. ACCOUNTS RECEIVABLE Grants Recevable	
6. ACCOUNTS PAYABLE Accounts Payable Other Accruals Contingent Liabilities	131,772 743,855 613,878 1,489,505

NOTES TO THE FINANCIAL STATEMENTS

7.	PROPERTY	ANDE	QUIPMENT
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	COMPUTERS	FURNITURE & FITTINGS	OFFICE EQUIPMENT	Total
Cost	Kshs	Kshs	Kshs	Кѕнѕ
	30.00%	12.50%	12.50%	
As at 01.01.2010 Additions	706,152	117,123	271,436	1,094,710
As at 31.12.2010	706,152	117,123	271,436	1,094,710
DEPRECIATION				
As at 01.01.2010			-	_
Charge for the year	211,846	14,640	33,929	260,415
As at 31.12.2010	211,846	14,640	33,929	260,415
NET BOOK VALUE				
31 December 2010	494,306	102,482	237,506	834,295
31 December 2009	706,152	117,123	271,436	1,094,710

NOTES TO THE FINANCIAL STATEMENTS

8.	INCOME AN	D EXPENDITURE ANALYSIS
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8. INCOME AND EXPENDITURE ANALYSIS	KENAAM AND OTHERS	MALARIA COMMUNITIES PROJECT	TOTAL
INCOME	Kshs	Kshs	Kshs
Grants	4,779,712	1,783,530	6,563,243
Interest Income	2,121	1,166	3,287
Members Subscriptions	154,000		154,000
Other Incomes	226,486	(66, 160)	160,326
Total Income	5,162,319	1,718,536	6,880,855
EXPENSE			
(a) PERSONELL COSTS			
National Secretariat Office	633,481	2,463,894	3,097,375
Total	633,481	2,463,894	3,097,375
(B) PROGRAMME MATERIALS			
General Office Supplies	82,539	37,874	120,413
Production of Malaria Advocacy aids			
Publication of Operational Research Findings,			
Lessons and Advocacy	-	21,500	21,500
Total	82,539	59,374	141,913
(C) TRAVEL & ACCOMODATION			
Domestic Travel, Outreach trips	874,126	261,288	1,135,414
Total	874,126	261,288	1,135,414
(d) Workshops and Seminars	2,996,735	184,922	3,181,657
Total	2,996,735	184,922	3,181,657
(E) SECRETARIAT OFFICE COST			
Office Rental	351,064		351,064
Equipment Maintenance		43,200	43,200
Telaphone and Postage	62,035	122,055	184,090
Website Maintenance		14,000	14,000
Printing and Stationery	27,516	325	27,841
Depreciation	260,415		260,415
Bank Service Charges	15,205		15,205
Total	716,235	179,580	895,815
Total Expense	5,303,116	3,149,058	8,452,174
SURPLUS/ (DEFICIT) BALANCE FOR THE YEAR	(140,797)	(1,430,522)	(1,571,319)
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NOTES TO THE FINANCIAL STATEMENTS

9 CAPITAL COMMITMENTS

The organization had no capital commitments at the year end.

10 PRESENTATION CURRENCY

The financial statements are presented in Kenya Shillings (Kshs) as the base currency.

11 EMPLOYEES

Employees at 31 December 2010 were five (4).

12. ACCRONYMS

KeNAAM	_	Kenya NGO Alliance Against Malaria
NGOs	-	Non-Governmental Organizations
DOME		District - (M-1 C1-1

DOMC - Division of Malaria Control

CBO - Community Based Organisation

FBO - Faith Based Organisation
CSO - Civil Society Organisation

RBM - Roll Back Malaria

MCP - Malaria Communities Programme

KRA - Kenya Revenue Authority

CIMC - Community Intergrated Management of Childhood Deseases

CPA(K) - Certified Public Accountants of Kenya

KSHS - Kenya Shillings
USD - United States Dollar
CEO - Chief Executive Officer
WDV - Written Down Values