



Financial Report

2008

Action Africa Help - International
Fawe House, Ground Floor
P.O. Box 76598 - 00508
Nairobi Kenya
Tel: +254 (0) 20 3007755/6
Mobile: +254 (0) 722 207726
Fax: +254 (0) 20 3007768
Email: headoffice@actionafricahelp.org
www.actionafricahelp.org

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DIRECTORS, OFFICERS & ADMINISTRATION - YEAR ENDED 31 DECEMBER, 2008

The following were in office during the period covered by this report:

BOARD OF DIRECTORS

Dr. Christopher Wood	- Chairman
Dr. Klaus Poser	- Member
Dr. John Tabayi	- Member
Dr. Vinand Nantulya	- Member
Professor Miriam Were	- Member
Mr. Lawrence Masaviru	- Member
Dr. Caroline Kisia	- Executive Director (ex-officio)

MANAGEMENT

Dr. Caroline Kisia	- Executive Director
Dr. Umar A. Baba	- Technical Director
Mr. Dennis White	- Finance and Administration Director

AUDITOR

Erastus & Co.
 Certified Public Accountants
 P.O. Box 55268 – 00200
 Nairobi – Kenya

BANKERS

Standard Chartered Bank of Kenya Ltd, Nairobi, KENYA
 CFC Stanbic Bank Ltd, Nairobi, KENYA
 Standard Chartered Bank of Uganda, Kampala, UGANDA
 Standard Chartered Bank Plc, Lusaka, ZAMBIA
 Kenya Commercial Bank (Sudan) Ltd, Juba, SUDAN

REPORT OF THE DIRECTORS - YEAR ENDED 31 DECEMBER, 2008

The Directors have the pleasure of submitting their report together with the audited financial statements for the year ended 31 December, 2008 which disclose the state of the organization's affairs.

OUR VISION

Sustainable improved quality of life for disadvantaged communities in Africa.

The pillars supporting our vision are:

- Community participation
- Gender equity
- Sustainability
- Capacity building and empowerment

OUR MISSION

The mission of AAH-I is to support disadvantaged communities to sustainably improve their standards of living through community empowerment approaches in partnership with stakeholders.

RESULTS

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

DIRECTORS

The Directors who served during the year covered by this report are set out on page 1.

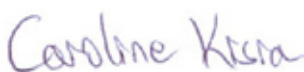
AUDITOR

M/s Erastus & Co., Certified Public Accountants were appointed during the year and have expressed their willingness to continue in office.

APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved at a meeting of the Board of Directors held on 15th August, 2009.

By Order of the Board



Dr. Caroline Kisia
Executive Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES ON THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER, 2008

The Directors of AAH-I 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 financial year and of its operating results for that year.

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 31 December, 2008 and of its operating results for the year then ended. The Directors further confirm the accuracy and completeness of the accounting records maintained by the Organization which has 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 of Directors on 15th August, 2009 and signed on their behalf by:



Dr. Caroline Kisia
(Executive Director)



Dennis White
(Finance and Administration Director)

REPORT OF THE INDEPENDENT AUDITOR - YEAR ENDED 31 DECEMBER, 2008

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements set out on pages 5 to 15 of Action Africa Help International, which comprise the balance sheet as at 31 December, 2008 and the operating statement, 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. 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.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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 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, 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 Management, 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 Action Africa Help International as of 31 December, 2008, and of its financial performance and its cash flows for the year then ended in accordance with generally accepted non-profit accounting principles and applicable International Financial Reporting Standards.


ERASTUS & Co.
Certified Public Accountants



Nairobi 16th October, 2009

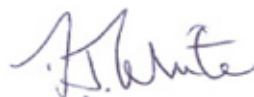
BALANCE SHEET - YEAR ENDED 31 DECEMBER, 2008

	Note	2008 Euro	2007 Euro
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	3	843	402
CURRENT ASSETS			
Debtors & Deposits	5	91,618	47,771
Project Funds Receivables	6	134,699	243,496
Cash & Bank Balances		744,056	1,038,526
TOTAL CURRENT ASSETS		970,373	1,329,793
CURRENT LIABILITIES			
Project Creditors (Net)		26,441	112,633
Unspent Fund Balances	7	629,234	968,594
Other Accounts Payable	8	193,984	164,810
TOTAL CURRENT LIABILITIES		849,659	1,246,037
Net Current Assets		120,714	83,756
TOTAL ASSETS	Euro	121,557	84,158
Represented By:			
Capital Fund (Page 8)		843	402
Medical Fund (Page 8)		2,257	1,601
General Fund (Page 8)		118,457	82,155
TOTAL FUNDS	Euro	121,557	84,158

These accounts were approved by the Directors on 15th August, 2009 and signed on their behalf by:



Dr. Caroline Kisia
(Executive Director)



Dennis White
(Finance and Administration Director)

OPERATING STATEMENT - YEAR ENDED 31 DECEMBER, 2008

	Note	2008 Euro	2007 Euro
INCOME			
Funds Received	4 (a)	6,558,537	6,601,509
Miscellaneous Income	4 (b)	45,393	36,641
Total Income	Euro	6,603,930	6,638,150
EXPENDITURE			
Programme Expenditure			
Basic Services - Primary Health Care, Water and Sanitation and Education		2,817,108	1,738,252
Food and Income Security and Environmental Management and protection		954,909	554,014
Civil Society Strengthening and Peace Building		1,504,478	2,599,590
Refugee Management Programme		297,442	758,074
Total Programme Expenditure		5,573,937	5,649,930
Administration and Support		998,020	938,708
Total Expenditure	Euro	6,571,957	6,588,638
Operating Balance for the year (Page 8)	Euro	31,973	49,512

CASH FLOW STATEMENT - YEAR ENDED 31 DECEMBER, 2008

		2008 Euro	2007 Euro
Cash Flows from Operating Activities			
Balance for the year (Page 6)		31,973	49,512
Adjustment for:			
Property and Equipment Purchase		1,608	505
Unrealised Foreign Exchange (Gain) / Loss		(41,132)	6,209
Transfers to Medical Fund		656	898
Opening Balance Adjustment		4,329	0
Working Capital Changes			
(Increase) / Decrease in Debtors and Deposits		(43,847)	6,355
Decrease / (Increase) in Projects Funds Receivable		108,797	(188,229)
Decrease in Project Creditors		(86,192)	(456,426)
(Decrease) / Increase in Unspent Fund Balances		(339,360)	265,728
Increase in Accounts Payable		29,174	164,812
Net Cash Flows Used in Operating Activities		(333,994)	(150,636)
Cash Flows from Investing Activities			
Property and Equipment Purchase		(1,608)	(505)
Net Cash Flows Used in Investing Activities		(1,608)	(505)
Net Decrease in Cash and Cash Equivalents		(335,602)	(151,141)
Movement in Cash and Cash Equivalents			
Cash and Cash Equivalents - 01-01-2008	b/f	1,038,526	1,195,876
Net Decrease in Cash and Cash Equivalents		(335,602)	(151,141)
Effect of Unrealised Foreign Exchange Loss		41,132	(6,209)
Cash and Cash Equivalents - 31-12-2008	c/f Euro	744,056	1,038,526

STATEMENT OF CHANGES IN FUND BALANCES - YEAR ENDED 31 DECEMBER, 2008

			General Fund	Medical Fund	Capital Fund	Total Fund
			Euro	Euro	Euro	Euro
Balance As At 01-01-2008	b/f		82,155	1,601	402	84,158
Net Opening Balance Adjustment			4,329	0	(153)	4,176
Net Operating Balance for the Year			31,973	656		32,629
Additions			0	0	1,608	1,608
Disposal			0	0	(816)	(816)
Depreciation			0	0	(198)	(198)
Balance 31-12-2008	c/f	Euro	118,457	2,257	843	121,557

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER, 2008

1. BACKGROUND INFORMATION

(a) Operations

Action Africa Help International (AAH - I) is a non-profit charitable organization with its headquarters in Nairobi, Kenya. It has operations in Kenya, Somalia, Sudan, Uganda and Zambia. AAH - I is currently running projects in health, education, water and sanitation, refugee resettlement, agriculture, and civic education.

(b) Legal Status

AAH - I is registered in Kenya under the NGOs Co-ordination Act No. 19 of 1990 as an international Non - Governmental Organization; Registration Certificate No. OP.218/051/2003/0309/2919 dated 18th December, 2003.

Other registrations include:

- In The Republic of Uganda under the Non-Governmental Organizations Registration Statute, 1989 via certificate number 1591 dated 30th August, 2005
- In The Republic of Zambia under the Societies Rules (Section 7 (2) of Societies Act Cap 119) via certificate number ORS/102/35/2456 dated 12th May, 2009.
- By the Government of Southern Sudan, Ministry of Legal Affairs and Constitutional Development under the New (Southern) Sudan NGO's Act, 2003 via certificate registration number 461 dated 8th June, 2009.

2. SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of Preparation

The financial statements are prepared in accordance with Generally Accepted Non - Profit Accounting Principles and applicable International Financial Reporting Standards. The financial statements are prepared under the historical cost convention.

b) Income recognition

Grant income is recognized when expenditure is incurred.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER, 2008

c) **Property, plant and equipment**

Property and equipment purchased by or donated to the organization are expensed on acquisition. Property and equipment and capital fund accounts are maintained for tracking purposes. Depreciation of property and equipment is calculated using the reducing balance method and recognised in the accounts on a memorandum basis. The depreciation rates in use are as follows:-

Asset category	Annual Depreciation (%)
Motor Vehicles and Motor cycles	25
Furniture, Fittings and General Equipment	12.5
Computer Equipment	33.3

d) **Foreign currency**

- Transactions in currencies other than the Euro are converted to base currency (the Euro) using the exchange rate ruling on the first day of the month of transaction as provided by Standard Chartered Bank, Kampala, Uganda, Standard Chartered Plc Lusaka, Zambia, and Standard Chartered Bank, Nairobi, Kenya.
- At the balance sheet date, assets and liabilities held in other currencies are translated to the reporting currency (Euro) using the exchange rate ruling on the first day of December, 2008 as provided by Standard Chartered Bank, Kampala, Uganda Standard Chartered Bank Plc, Lusaka, Zambia and Standard Chartered Bank, Nairobi, Kenya. The impact of using the months opening rate rather than the closing rate on the balance sheet items was immaterial.
- Significant exchange gains or losses are taken up in the operating statements.

NOTES TO THE ACCOUNTS - YEAR ENDED 31 DECEMBER, 2008

3. PROPERTY AND EQUIPMENT

	Motor Vehicles	Motor Cycles	Furniture, Equipment & Fittings	Computer Equipment	TOTAL
	Euro	Euro	Euro	Euro	Euro
Cost					
At 01/01/08	14,200	2,284	41,206	53,635	111,325
Opening balance adjustments	(1,047)	(204)	(3,529)	(4,249)	(9,029)
Additions	0	0	0	1,608	1,608
Disposals/loss of asset	0	0	0	(816)	(816)
At 31/12/08	13,153	2,080	37,677	50,178	103,088
Depreciation					
At 01/01/08	14,200	2,284	41,158	53,281	110,923
Adjustments on balance b/f	(1,047)	(204)	(3,529)	(4,096)	(8,876)
Charge for the year	0	0	48	150	198
At 31/12/08	13,153	2,080	37,677	49,335	102,245
NBV - At 31-12-2008	Euro 0	0	0	843	843
NBV - At 31-12-2007	Euro 0	0	48	354	402

NOTES TO THE ACCOUNTS - YEAR ENDED 31 DECEMBER, 2008

	2008	2007
	Euro	Euro
4. INCOME		
a) Funds Received - Contribution to Income		
Funds Receivable at 01 - 01 - 2008	(243,496)	0
Net Funds Balance From the Previous Year	923,932	243,918
Prior Year Adjustment	44,662	0
Grants Received During the Year (Note 9)	6,327,973	7,082,690
Totals Funds Available During the Year	7,053,071	7,326,608
Add: Funds Receivable During the Year (Note 6)	134,699	243,496
Unspent Fund Balances at Year End (Note 7)	(629,233)	(968,594)
Net Income During the Year	6,558,537	6,601,509
b) Miscellaneous Income		
Other Income	4,261	36,641
Unrealized Exchange Gain	41,132	0
Total Miscellaneous Income	45,393	36,641
Total Income	Euro 6,603,930	6,638,150
5. DEBTORS & DEPOSITS		
Staff Debtors	87,791	43,316
Telephone Deposit	188	48
Fuel Deposit	279	335
Security Bond	3,360	4,072
Total Debtors & Deposits	Euro 91,618	47,771
6. PROJECT FUNDS RECEIVABLE		
Masaai Mara Microprojects	0	12,686
Measles Campaign Maridi (P147)	0	110
IPCS 2005-2007 (P134)	0	124,874
IPCS - 2005-2007 (P131)	1,488	61,866
Mundri Health Transformation (P124)	27,754	2,543
Returnees Re-integration 2007 (P146)	0	38,163
Child Protection Environment Nabanga (P148)	0	2,262
Land Use and Crop Yield Assessment (P258)	0	826
Returnees Re-integration Eastern Equatorial (P145)	0	166
Regional Primary Health Care 2007 (P141)	3,951	0
Repatriation Assistance (P160)	25,805	0
Distribution of Seeds, Tools and Fishing Kits (P163)	5,347	0
Measles Campaign Maridi County (P165)	410	0
Integrated Primary Health Care Services - 2007 (P154)	1,041	0
Community Mobilization for Reproductive Health (P154)	8,903	0
Institutional Support (ICCO P304)	60,000	0
Total Project Funds Receivable	Euro 134,699	243,496

NOTES TO THE ACCOUNTS - YEAR ENDED 31 DECEMBER, 2008

7. UNSPENT FUND BALANCES	2008 Euro	2007 Euro
Food & Income Security Phase I (P120)	0	3,470
Integrated Development Magwi (P122)	78,904	100,057
Juba County Recovery and Rehabilitation (P140)	58,479	88,469
Regional PHC Programme 2007 (P141)	0	298,586
Capacity Building for Post Conflict Re-Integration(CAPOR) (P142)	6,329	27,975
Capacity Building (P144)	0	1,222
Food & Income Security Phase II (P149)	45,964	70,704
Training of Health Workers & Management of VVF (P151)	0	1,929
Food Distribution Kyenjojo, Mbarara and Kyangwali	0	19,027
Crop Yield Assessment Kyaka & Kyangwali (P247)	0	4,227
Training (P248)	0	4,854
Multi - Sector Assistance - Moyo Adjumani (P257)	1,415	10,887
Voluntary Repatriation Sudan Moyo/Adjumani 2007 (P259)	5,588	70
Environment (P260)	567	1,845
Food Management & Distribution Hoima & Kyaka (P256)	8,946	15,411
Care and Maintenance of Congolese Refugees in Northern Province (P416)	1,173	5,513
Care and Maintenance of Congolese Refugees in Northern Province (P417)	321	865
Care and Maintenance of Congolese Refugees in Northern Province (P418)	1,277	1,594
PHC Gardo, Bender - Beyla & Ishkushuban (P503)	70,131	311,889
Consolidate / Strengthen Health Services in Puntland (P505)	3,082	0
Maasai Mara Microprojects (P605)	2,660	0
Access to Basic Services East and West Equatorial (P153)	45,138	0
Regional Primary Health Care - 2008 (P157)	236,966	0
Local Settlement of Sudanese Refugees in Northern Uganda (P111)	21,242	0
Reintegration of Returning Refugees (P161)	10,183	0
Improve Household Livelihoods - Juba County (P162)	13,409	0
Awareness Raising on HIV/AIDs and SGBV (P166)	26	0
Food Distribution Moyo / Adjumani	6,022	0
WFP Project 255	11,412	0
Total Unspent Fund Balances	Euro 629,234	968,594
8. OTHER CREDITORS		
Payroll Creditors	112,109	64,797
Supplier Creditors	1,614	(574)
Accruals	40,202	79,043
Audit Fee (Erastus & Co., CPAs)	40,059	21,544
Total Other Creditors	Euro 193,984	164,810

NOTES TO THE FINANCIALS STATEMENTS - YEAR ENDED 31 DECEMBER, 2008

9. GRANTS RECEIVED BY DONOR

ANALYSIS BY DONOR	2008 Euro	2007 Euro
European Commission	0	597,015
Evangelischer Entwicklungsdienst (EED)	2,229,887	2,296,454
Inter Church Organization for Development Co-operation (ICCO)	1,957,972	704,658
United Nations Development Programme (UNDP)	39,683	9,323
United Nations High Commissioner for Refugees (UNHCR)	1,636,464	2,549,930
United Nations World Food Programme (UNWFP)	131,191	183,107
John Snow International (JSI)	2,543	630,042
Food and Agriculture Organisation (FAO)	0	20,360
United Nations Population Fund (UNFPA)	0	85,926
German Technical Cooperation (GTZ)	52,438	0
COSV	207,581	0
Others	70,214	5,873
TOTAL (Note 4)	Euro 6,327,973	7,082,690

NOTES TO THE FINANCIALS STATEMENTS - YEAR ENDED 31 DECEMBER, 2008

10. CAPITAL COMMITMENTS

AAH-I had no capital commitments as at 31 December, 2008.

11. EMPLOYEES

AAH-I had 731 employees during the period ended 31 December, 2008.

12. STAFF RETIREMENT BENEFITS SCHEME

The company contributes to the national NSSF retirement benefit schemes for its local employees in Kenya, Uganda and Zambia. Local employees in Kenya are members of AAH-I staff retirement benefits scheme. The scheme is fully funded and registered with the Kenya Retirement benefits Authority. The employer contributes 10% and each employee 5% of basic salary. Total funds as at 31st December 2008 was Euro 103,813/-

13. TAXATION

No provision for corporate taxation 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).

14. CURRENCY

These accounts are presented in Euros (Euro) as the base currency.

15. ABBREVIATIONS

PHC	-	Primary Health Care
EC	-	European Commission
EED	-	Evangelischer Entwicklungsdienst
ICCO	-	Interchurch Organization for Development Co-operation
IPCS	-	Institute for the Promotion of Civil Society
UNHCR	-	United Nations High Commissioner for Refugees
USAID	-	United States Agency for International Development
WFP	-	World Food Programme
JSI	-	John Snow International
COSV	-	Coordinating Committee of the Organizations for Voluntary Service

Action Africa Help - International
Fawe House, Ground Floor
P.O. Box 76598 - 00508
Nairobi Kenya
Tel: +254 (0) 20 3007755/6
Mobile: +254 (0) 722 207726
Fax: +254 (0) 20 3007768
Email: headoffice@actionafricahelp.org
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