

**FINANCIAL
REPORT**

2017



FOR THE YEAR ENDED 31 DECEMBER 2017

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CORPORATE INFORMATION - YEAR ENDED 31 DECEMBER 2017

BOARD OF DIRECTORS

Dr. John Tabayi	Chairman
Dr. Vinand Nantulya	Member
Mr. Lawrence Masaviru	Member
Mr. Mungule Chikoye	Member
Amb. B. Olowo-Freers	Member
Mrs. Margaret Oriaro	Treasurer
Mr. Haron Wachira	Member
Mr. Leonard Logo	Member
Prof. Aggrey Abate	Member
Ms. Catherine Odoi	Member
Dr. Caroline Kisia	Secretary

MANAGEMENT TEAM

Dr. Caroline Kisia	Executive Director
Mr. Basilio Okello	Programme Director
Ms. Dinah Njoroge	Finance and Administration Director

PLACE OF OPERATION

Nachu Plaza 7th Floor
Kiambere Road, Upper Hill
P. O. Box 76598 - 00508
NAIROBI
Telephone: +254 (0) 722 207726 / 737 207726
Email: headoffice@actionafricahelp.org
Website: www.actionafricahelp.org

INDEPENDENT AUDITOR

Horwath Erastus & Co,
Morningside Office Park, 2nd Floor (Wing B), Ngong Road
P. O. Box 55268 - 00200, City Square, Nairobi, Kenya (EA)
Tel: +254 722 395 611

PRINCIPAL BANKERS

Standard Chartered Bank of Kenya Limited
Yaya Centre Branch
NAIROBI

Kenya Commercial Bank South Sudan Limited
Buluk Branch
YEI

Standard Chartered Bank Zambia Limited
Standard House, Cairo Road
LUSAKA

Standard Chartered Bank Uganda
Kampala Branch
KAMPALA

REPORT OF THE DIRECTORS - YEAR ENDED 31 DECEMBER 2017

The directors submit their report and the audited financial statements for the year ended 31 December 2017, which disclose the state of affairs of the organisation.

Organisation and Principal Activities

Action Africa Help International (AAH-I) is a nonprofit organisation registered in Nairobi, Kenya and is dedicated to improvement of quality of life for livelihood challenged communities in Africa. In 2017, AAH-I had operations in South Sudan, Uganda, Somalia, Zambia, Kenya, Djibouti and Ethiopia.

Results

	2017 USD	2016 USD
Balance / (Deficit) for the year	<u>89,804</u>	<u>(239,039)</u>

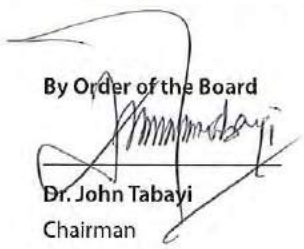
Executive Committee

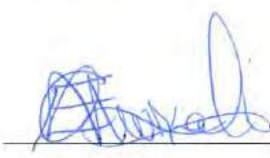
The directors who held office at the date of this report are shown on page 2.

Independent Auditor

Horwath Erastus & Company were appointed during the year and have expressed willingness to continue in office.

By Order of the Board


Dr. John Tabayi
Chairman


Dr. Caroline Kisia
Secretary



16/08/

2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES - YEAR ENDED 31 DECEMBER 2017

The directors are required to prepare financial statements which give a true and fair view of the state of affairs of the organisation as at the end of the financial year and of the results for that year. They are also required to ensure that the organisation maintains proper accounting records which disclose with reasonable accuracy the financial position of the organisation. The directors are also responsible for safeguarding the assets of the organisation.

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. They also accept responsibility for:

- i. Designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ii. Selecting and applying appropriate accounting policies; and
- iii. Making accounting estimates and judgements that are reasonable in the circumstances.

The directors are of the opinion that the financial statements give a true and fair view of the financial position of the organisation as at 31 December 2017 and of the organisation's financial performance and cash flows for the year then ended.

In preparing these financial statements the directors have assessed the organisation's ability to continue as a going concern. Nothing has come to the attention of the directors to indicate that the organisation will not remain a going concern for at least the next twelve months from the date of this statement.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the board of directors on 16/08/ 2018 and signed by:



Dr. John Tabayi
Chairman



Dr. Caroline Kisia
Secretary



REPORT OF THE INDEPENDENT AUDITOR - YEAR ENDED 31 DECEMBER 2017

Opinion

We have audited the accompanying financial statements of Action Africa Help International set out on pages 7 to 22 which comprise the statement of financial position as at 31 December 2017, statement of income and expenditure, statement of changes in fund balances and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Action Africa Help International as at 31 December 2017 and of its financial performance and cash flows for the year then ended, in accordance with the accounting policies set out on pages 11 and 12.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the independent auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the organisation in accordance with the International Ethics Standards Board for Accountants Code of Ethics for professional accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Basis of accounting and restriction on distribution and use

The financial statements are prepared to assist the organisation to comply with the accounting policies set out on pages 11 and 12. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for Action Africa Help International and should not be distributed to or used by parties other than Action Africa Help International.

Other information

The directors are responsible for the other information. The other information comprises report of the directors, statement of directors' responsibilities and schedule of programme and other expenditure that comprise the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the accounting policies set out on pages 11 and 12 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the organisation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organisation's financial reporting process.

Independent auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance,

REPORT OF THE INDEPENDENT AUDITOR - YEAR ENDED 31 DECEMBER 2017

Auditor's responsibilities for the audit of the financial statements (continued)

but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

FCCA Erastus K. Omolo practices in Howarth Erastus & Co. together with other partners. The engagement partner responsible for the audit resulting on this independent auditor's report is FCCA Erastus K. Omolo - Practising Certificate No. P/1164.


HOWARTH ERASTUS & Co.
Certified Public Accountants



Nairobi 29 August 2018

STATEMENT OF INCOME AND EXPENDITURE - YEAR ENDED 31 DECEMBER, 2017

		2017	2016
	Note	USD	USD
INCOME			
Funds	2	30,387,640	21,771,051
Miscellaneous income	3	77,248	257,318
Total income		<u>30,464,888</u>	<u>22,028,369</u>
EXPENDITURE			
Programme expenditure			
Basic services - Primary health care, water and sanitation and education		7,500,376	3,622,590
Food and income security and environmental management and protection		1,461,638	1,970,621
Refugee management programme		17,716,714	12,157,544
Civil society strengthening and peace-building		465,099	1,109,280
Total programme expenditure		<u>27,143,827</u>	<u>18,860,035</u>
Administration and support costs		<u>3,231,257</u>	<u>3,407,373</u>
Total expenditure		<u>30,375,084</u>	<u>22,267,408</u>
Balance/(deficit) for the year		<u>89,804</u>	<u>(239,039)</u>

Report of the independent auditor - pages 5 and 6.

The notes on pages 11 to 24 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION - YEAR ENDED 31 DECEMBER, 2017

		2017	2016
	Notes	USD	USD
ASSETS			
Non-current assets			
Property and equipment	4	390,769	445,460
Current assets			
Cash and bank balances	5	4,203,220	4,233,634
Accounts receivable	6	122,514	158,645
Property investment deposit	7	1,095,444	885,627
Project funds receivable	8	2,423,010	1,474,889
Total current assets		7,844,188	6,752,795
Current liabilities			
Accounts payable	9	2,755,936	443,697
Borrowings	10(a)	63,220	63,220
Total current liabilities		2,819,156	506,917
Net current assets		5,025,032	6,245,878
Total assets		5,415,801	6,691,338
NON-CURRENT LIABILITIES AND FUND BALANCES			
Non-current liabilities			
Borrowings	10(b)	187,068	250,288
Gratuity fund	11	3,108,343	3,483,521
Total non-current liabilities		3,295,411	3,733,809
Fund balances			
Unspent fund balances	13	1,301,218	2,173,469
Capital fund (Page 9)		277,634	332,326
General fund (Page 9)		541,538	451,734
		819,172	784,060
Total fund balances		2,120,390	2,957,529
Total liabilities and fund balances		5,415,801	6,691,338

The financial statements on pages 7 to 24 were approved and authorised for issue by the board of directors on 16/08/2018 and were signed by:

Dr. John Tabayi
Chairman

Dr. Caroline Kisia
Secretary



Report of the independent auditor - pages 5 and 6.

The notes on pages 11 to 24 form an integral part of these financial statements.

STATEMENT OF CHANGES IN FUND BALANCES - YEAR ENDED 31 DECEMBER, 2017

Movement in Funds	General fund	Medical fund	Capital fund	Total Fund
Year ended 31 December 2016	USD	USD	USD	USD
At start of year	697,900	1,969	323,486	1,023,355
(Deficit) for the year	(239,039)	0	0	(239,039)
Additions	0	0	81,054	81,054
Utilisation	0	(9,096)	0	(9,096)
Depreciation on property and equipment	0	0	(72,214)	(72,214)
Transfer	(7,127)	7,127	0	0
At end of year	451,734	0	332,326	784,060
Year ended 31 December 2017				
At start of year	451,734	0	332,326	784,060
Balance for the year	89,804	0	0	89,804
Additions	0	0	3,877	3,877
Depreciation on property and equipment	0	0	(58,569)	(58,569)
At end of year	541,538	0	277,634	819,172

The notes on pages 11 to 24 form an integral part of these financial statements.

Report of the independent auditor - pages 5 and 6.

STATEMENT OF CASH FLOWS - YEAR ENDED 31 DECEMBER, 2017

	2017 USD	2016 USD
Cash flows from operating activities		
Balance / (deficit) for the year	89,804	(239,039)
Adjustments for:		
Net movement in medical fund	0	(9,095)
Working capital changes		
Decrease in accounts receivable	36,131	76,254
Increase in project funds receivable	(948,121)	(673,327)
Decrease in unspent fund balances	(872,250)	(911,987)
Increase / (Decrease) in accounts payable	2,312,238	(32,296)
Net cash generated from / (used in) operating activities	617,802	(1,789,490)
Cash flows from investing activities		
Property investment deposit	(209,817)	(10,290)
Purchase of property and equipment	(3,877)	81,054
Purchase of property and equipment	(54,692)	(81,054)
Grant for purchase of property and equipment	58,568	0
Gratuity provisions	1,166,846	1,533,237
Gratuity payments	(1,542,024)	(1,397,718)
Net cash (used in) / generated from investing activities	(584,996)	125,229
Financing activities		
Long term loan acquired	0	80,000
Long term loan repayment	(63,220)	(51,840)
Net cash (used in) / generated from financing activities	(63,220)	28,160
Net decrease in cash and cash equivalents	(30,414)	(1,636,101)
Movement in cash and cash equivalents		
At start of year	3,848,634	5,484,735
Decrease in cash and cash equivalents	(30,414)	(1,636,101)
At end of year (Note 5)	3,818,220	3,848,634

The notes on pages 11 to 24 form an integral part of these financial statements.

Report of the independent auditor - pages 5 and 6.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER, 2017

1. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

The financial statements are prepared on the historical cost basis in accordance with the accounting policies set by Action Africa Help International.

b) Income

Income comprises grants from various donors and other income. Grants are recognised when the organisations' right to receive the funds is established. Other income is recognised when it is earned. Grants are classified as restricted funds. If part of a grant is expendable wholly at the discretion of management without restriction, that portion may be classified as unrestricted funds.

c) Expenditure

Expenditure comprises expenses incurred directly for projects activities and support costs. Expenditure is recognised and recorded on an accruals basis.

d) Property and equipment

Action Africa Help International's policy is assets purchased from funds on acquisition with a capital fund maintained for tracking purposes. Depreciation relating to assets purchased from restricted funds is transferred to the capital fund accounts. Assets purchased from restricted funds are capitalised and shown in the statement of financial position. Depreciation of property and equipment is calculated using the reducing balance method. The depreciation rates in use are as follows:

<u>Asset Category</u>	<u>Rate %</u>
Motor vehicles	25.0
Furniture, fittings and equipment	12.5
Computer equipment	33.3

Land and buildings are not depreciated. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Disposal of any assets must be in line with the donor requirements. Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining the balance / deficit for the year.

e) Translation of foreign currencies

The financial statements are presented in United States Dollar (USD). The local currencies of the program are Kenyan Shilling, South Sudanese Pound, Zambian Kwacha and Ugandan Shilling for Kenya, South Sudan, Zambia and Uganda, respectively.

Transactions in foreign currencies are converted into USD using the prevailing monthly rate. Balances at the statement of financial position date are converted into USD using the closing exchange rate. The resulting differences from conversion and translation are dealt with in the comprehensive income statement in the year in which they arise.

The rates used in translation of balances from the originating currency to USD were as follows:

	2017	2016
Kenyan Shilling	102.48	101.85
South Sudanese Pound	74.21	54.05
Zambian Kwacha	10.00	10.00
Ugandan Shilling	3,623.19	3,598.69
Euro	0.83	0.95
Great Britain Pound	0.74	0.81

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER, 2017

1. Significant accounting policies (continued)

f) Reserves

(i) Capital fund

This reserve represents the valuation of the fixed assets that were purchased and capitalised less the related depreciation on those assets.

(ii) Medical fund

This reserve relates to financial provisions for medicare of some staff.

(iii) General funds

These are unrestricted funds and represent the accumulated reserve that is available for use at the discretion of management in furtherance of the objectives of the organisation.

(iv) Unspent fund balances

Grant income is recognised when expenditure is incurred. Any funds received and not spent by the end of the year are recognised under unspent fund balances on the statement of financial position.

g) Trade receivables

Receivables comprise staff debtors, deposits, prepayments and other receivables and are recorded at net realisable value. No provisions have been made in these financial statements. However, an assessment is made on the recoverability of receivables to determine provisions and write-offs required.

h) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks, net of bank overdrafts.

i) Trade payables

Trade payables are obligations on the basis of normal credit terms and do not bear interest.

j) Employee entitlements

The organisation operates a gratuity fund for its employees on confirmed employment contracts. The scheme is administered by an insurance company. The organisation's contributions to the fund are charged to the statement of income and expenditure in the year in which they relate. The organisation and its employees contribute to the statutory defined contribution scheme registered in the respective country. The organisation's contributions to the defined contribution scheme are charged to the statement of comprehensive income in the year in which they relate.

k) Taxation

No provision has been made for taxation in view of the nature of the organisation. An application for exemption from taxation has been made to the Kenya Revenue Authority and a reply is awaited. In the opinion of the management, an exemption is likely to be granted.

l) Comparatives

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

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER, 2017

	USD 2017	USD 2016
2. Funds		
Funds receivable at start of the year	(1,474,889)	(801,562)
Unspent funds balance from the previous year (Note 13)	2,173,469	3,085,456
Exchange difference	(13,258)	(119,076)
Grants received during the year (Note 12)	28,580,527	20,304,812
Total funds available during the year	29,265,849	22,469,630
Add: Funds receivable during the year (Note 8)	2,423,010	1,474,889
Unspent fund balances at year end (Note 13)	(1,301,218)	(2,173,469)
Net income during the year	30,387,640	21,771,051
3. Miscellaneous income		
Interest earned	12,808	8,182
Unrealized exchange gain	27,925	249,136
Other income	36,515	0
Total miscellaneous income	77,248	257,318

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER, 2017

2017
USD

2016
USD

4. Property and equipment

Property and equipment comprises the following:

a) Property and equipment - capital fund	227,634	332,325
b) Property and equipment - unrestricted funds	113,135	113,135
Total property and equipment	390,769	445,460

4 a) Property and equipment - Capital fund

	Motor vehicles	Furniture, equipment and fittings	Computer equipment	Land and buildings	Total
Cost	USD	USD	USD	USD	USD
At start of year	318,260	81,783	111,530	158,757	670,330
Additions	0	2,749	1,127	0	3,876
At end of year	318,260	84,532	112,657	158,757	674,206
Depreciation					
At start of year	185,648	58,189	94,167	0	338,004
Charge for the year	53,600	1,899	3,069	0	58,568
At end of year	239,248	60,088	97,236	0	396,572
Net book value 31-12-2017	79,012	24,445	15,422	158,757	277,634
Net book value 31-12-2016	132,612	23,594	17,363	158,757	332,326

4 b) Property and equipment - Unrestricted

	2017 USD	2016 USD
Land and buildings cost		
At start and end of year	113,135	113,135

This relates to land LR No. 236/2546 in Uganda

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER, 2017

	2017 USD	2016 USD
5. Cash and bank balances		
Cash at bank and in hand	3,718,220	3,748,402
Short term bank deposit	485,000	485,232
Total cash and bank balances	4,203,220	4,233,634

For the purposes of the statement of cash flows, the year end cash and cash equivalents comprise the following:

Cash at bank and in hand	4,203,220	4,233,634
Less: Short term bank deposit held under lien	(385,000)	(385,000)
	3,818,220	3,848,634

Short term bank deposit amounting to USD 385,000/- were placed under lien in 2014.

6. Accounts receivable		
Staff debtors	23,286	107,417
Other debtors	16,582	14,159
Security bond	3,953	3,953
Prepayments	10,402	7,910
Gratuity provisions	0	25,206
Project debtors (net)	68,291	0
	122,514	158,645

In the opinion of the directors, the carrying amount of accounts receivable approximate to their fair value.

7. Property investment deposit		
Property deposit	1,095,444	885,627

In the opinion of the directors, the carrying amount of investment deposit approximate to their fair value.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER, 2017

	2017 USD	2016 USD
8. Project funds receivable		
Karamoja Economic Empowerment Project (KEEP) Phase1 (P285)	795	902
Food Basket (P284WFP)	61,515	35,084
Civil Society Environment Fund (CSEF) (P452)	19,139	0
Havard Research (P454)	1,400	0
Urban Refugee IOM (P451)	0	378
Health Pooled Fund (HPF) 128A	55,658	199,830
Health Pooled Fund (HPF)128B	38,205	151,150
Health Pooled Fund (HPF)128C	15,352	130,830
Health Pooled Fund (HPF)128D	6,157	170,212
Health Pooled Fund (HPF) 128E	62,782	173,754
Health Pooled Fund (HPF)128F	715,665	104,173
Health Pooled Fund (HPF)128G	520,532	114,980
Health Pooled Fund (HPF)128H	17,357	15,725
Photovoltaic (P117)	4,298	3,636
CAPOR (P118)	31,526	0
Regional Primary Health Care 2016 (P121)	44,077	0
Safety Net and Skills Development (P124)	0	199,573
School Feeding Program Cuibet (P126)	56,234	54,420
Logistics (P127)	53,599	0
Logistics Support Mogadishu 2015 (P512D)	11,639	56,539
Livelihoods GIZ (P617)	3,920	0
SPARK (P618)	480,898	0
Emergency Health Services - Yei 2016 (P130)	9,812	0
Seed Distribution P(133)	2,560	0
Safety Net and Skills Development (P124B)	200,225	0
Urban Refugees (P456)	5,893	0
Logistics Support 2016 (P512F)	3,772	39,101
Logistics Support (UNICEF) (P129)	0	0
Livelihoods - Kakuma (P615)	0	24,601
Total project funds receivable	2,423,010	1,474,889

In the opinion of the directors, the carrying amounts of project funds receivable approximate to their fair value.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER, 2017

	2017 USD	2016 USD
9. Accounts payable		
Payroll creditors	125,408	232,214
Project accruals	2,603,528	158,342
Audit fee	27,000	8,291
Project creditors (net)	0	44,850
Total other accounts payable	2,755,936	443,697

In the opinion of the directors, the carrying amounts of the accounts payables approximate to their fair value.

10. Borrowings

The borrowings are made up as follows:

(a) Current

Bank loan payable within 1 year	63,220	63,220
(b) Non-current		
Bank loan - long-term	187,068	250,288
Total borrowings	250,288	313,508

The bank borrowings are secured by a pledge deposit amounting to USD 385,000/-.

In the opinion of the directors, the carrying amounts of the borrowings approximate to their fair value.

11. Gratuity fund

At start of year	3,483,521	3,348,002
Provisions made during year	1,166,846	1,533,237
Payments made during the year	(1,542,024)	(1,397,718)
At end of year	3,108,343	3,483,521

In the opinion of the directors, the carrying amounts of the gratuity fund approximate to its fair value.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER, 2017

	2017 USD	2016 USD
12. Grants received (Analysis by donor)		
Bread for the World	2,045,164	1,592,655
United Nations High Commissioner for Refugees (UNHCR)	18,497,764	12,760,892
United Nations Children's Fund (UNICEF)	860,303	1,088,119
Abt Associates / United States Agency for International Development (USAID)	0	759,733
Multi Donor Trust Fund (MDTF) / Ministry of Agriculture and Forestry - South Sudan (MAF)	535,031	1,022,148
Jhpiego / United States Agency for International Development (USAID)	0	866,323
Positive Action Children Fund (PACF)	0	95,502
Food and Agriculture Organization	66,237	0
United Nations Women (UN Women)	48,760	51,729
United Nations World Food Program (UNWFP)	274,035	89,684
Crown Agents (DFID / Health Pooled Fund)	5,669,604	1,535,788
Norwegian Refugee Council (NRC)/DFID	265,167	160,392
International Organization for Immigration (IOM)	0	15,378
Deutsche Gesellschaft for Internationale Zusammenarbeit (GIZ)	0	12,907
Civil Society Environment Fund (CSEF)	39,119	86,611
Harvard University	3,080	27,670
US Embassy	0	24,964
World Refugee Council (WRC)	0	28,345
Diakonie Katastrophenlife	0	85,973
International Organization for Migration (IOM)	11,483	0
Oxfam	132,075	0
Catholic Medical Mission Board (CMMB)	132,705	0
Total grants received (Note 2)	28,580,527	20,304,812

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER, 2017

	2017 USD	2016 USD
13. Unspent fund balances		
Capacity Building for Post Conflict Reintegration (CAPOR) (P192)/(P118)	0	16,391
Multi sectoral refugee management (P283) P283B	324,595	184,706
Food Basket (P288)	0	34,527
Food Basket (P284C) Palabek	42,240	0
Urban Refugees IOM (P451)	452	0
Community-Led Prevention Initiative (COPI) Extension (P450)	43,685	0
Urban Refugee Management (ZKw) 2016 / 2017 (P448 / P456)	13,023	24,322
Sustaining Environment and Natural Resources in Kawambwa District (SENARK)(P452)	0	16,807
Construction of Reception Shelter in Lusaka (P453)	3,109	12,197
Harvard University Research (P454)	0	3,149
Global Youth Refugee Consultants WRC (P455)	4,321	4,486
DRC Refugee Emergency Response (P458)	43,405	0
Food Distribution - WFP Assistance Programme (P459)	3,961	0
Zambia Humanitarian Hub (P457)	4,255	0
SPARK (P618)	0	160,392
Regional Primary Health Care (P106) / (P121)	127,909	91,572
Maridi Nursing Training School (P108) / (P122)	40,311	64,297
Logistics Support (P119)/P127	0	1,113,436
Emergency Response Food Crisis - Tali (P112)/(112B)	0	20,319
Emergency Response Food Crisis - Nagero (P115)(P115B)	0	51,442
Logistics Support UNICEF (P129)P132	132,533	146,412
Logistics (P131)	142,568	0
Emergency Health Services Yei 2017 (P130B)/(p130)	6,084	69,328
Mara Division Enterprise and Market Development (P615A)	117,121	0
Safety Net and Skills Development (P124)	1,185	0
Livelihoods Kakuma 2017 (P616 / P616C)	27,049	0
Support Refugees and Host Communities Livelihoods in Kenya (P617)	0	10,161
Provision Logistics 2016 (512E / 512H)	176	708
Health Systems Strengthening (701)	3,056	0
Logistics Support Mogadishu 2017 (P512G)	4,891	0
Livelihoods - Hargesia (P511)	81,576	0
Livelihoods in Elwak (P513)	133,714	75,101
Total unspent fund balances	1,301,218	2,173,469
Reconciliation of unspent fund balances		
Funds receivable (Note 8)	(2,423,010)	(1,474,889)
Unspent fund balances (Note 13)	1,301,218	2,173,469
Net movement in restricted funds (Note 14)	(1,121,792)	(698,580)

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER, 2017

14. Restricted fund balances							
Project Title	AAH-I Project No.	Donor	Unspent funds/ (receivable) as at 01-01-2017	Receipts during the period	Expenditure during the period	Exchange difference gains/(losses) and bank interest	Unspent funds/ (receivable) as at 31-12-2017
South Sudan Country Programme			USD	USD	USD	USD	USD
ISDP- MCHIP - Yei county	101	USAID/ Jhpiego	0	0	0	0	0
ISDP- MCHIP - Ibba county	102	USAID/ Jhpiego	5	0	0	(5)	0
ISDP- MCHIP - Mundri West County	104	USAID/ Jhpiego	0	0	0	0	0
ISDP- MCHIP - Mundri West County	109	USAID/ Jhpiego	0	0	0	0	0
Logistics Support 2014	111	UNHCR	0	0	(5,758)	5,758	0
Emergency Food Crisis Response - Tali	112B	MAF	20,319	0	(65)	20,384	0
Emergency Food Crisis Response- Nagero	115B	MAF	51,442	0	0	51,442	0
Photovoltaic - Solar Projects	117	BftW	(3,636)	0	0	662	(4,298)
Capor	118	BftW	16,391	169,088	217,005	-	(31,526)
Logistics Support 2015	119	UNHCR	0	0	951	(951)	0
Logistics Support 2015	120	UNICEF	0	0	(51,354)	51,354	0
Regional Primary Health Care 2016	121	BftW	91,572	101,355	239,722	(2,718)	(44,077)
Regional Primary Health Care 2017	121B	BftW	-	653,887	525,978	0	127,909
Maridi Nursing Training School	122	BftW	64,297	403,368	427,482	(128)	40,311
Safety Net and Skills Development	124	MAF	(199,573)	201,141	6	377	1,185
Safety Net and Skills Development 2017	124B	MAF	0	333,890	534,131	(16)	(200,225)
School Feeding - Cuibet	125	Diakonie	0	0	0	0	0
School Feeding - Cuibet	126	Diakonie	(54,420)	0	0	1,814	(56,234)
Logistics Support -2016	127	UNHCR	1,113,436	0	1,373,146	(206,111)	(53,599)
Health Pooled Fund -Yei	128A	Crown Agents	(199,830)	174,173	8,569	21,432	(55,658)
Health Pooled Fund - Ibba	128B	Crown Agents	(151,150)	109,602	0	(3,343)	(38,205)
Health Pooled Fund - Mundri West	128C	Crown Agents	(130,830)	113,599	0	(1,879)	(15,352)
Health Pooled Fund - Morobo	128D	Crown Agents	(170,212)	172,004	0	7,949	(6,157)
Health Pooled Fund - Maridi	128E	Crown Agents	(173,754)	126,975	0	16,003	(62,782)
Health Pooled Fund Lot 20/Yei/Morobo/ Lainya/Kajokeji	128F	Crown Agents	(104,173)	2,822,615	3,433,514	593	(715,665)
Health Pooled Fund Lot 21/Maridi/ Mundri East/Mundri West/Mvolo	128G	Crown Agents	(114,980)	2,150,636	2,552,479	3,709	(520,532)
Health Pooled Fund Lot 23/Ibba county	128H	CMMB	(15,725)	132,705	135,473	(1,136)	(17,357)
Logistics Support 2016	129	UNICEF	146,412	2,623	148,731	304	0
Emergency Health Services (2016)	130	UNICEF	69,328	(17,676)	61,455	9	(9,812)
Emergency Health Services (2017)	130B	UNICEF	0	66,088	58,954	1,050	6,084
Logistics Support -2017	131	UNHCR	0	11,288,585	11,122,098	23,919	142,568
Logistics Support 2017	132	UNICEF	0	809,268	662,495	14,240	132,533
Seed Distribution	133	FAO	0	66,237	66,238	2,559	(2,560)
Sub-total - South Sudan			254,918	19,880,163	21,511,250	7,271	(1,383,439)

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER, 2017

14. Restricted funds balances

Project Title	AAH-I Project No.	Donor	Unspent funds/ (receivable) as at 01-01-2017	Receipts during the period	Expenditure during the period	Exchange difference gains/(losses) and bank interest	Unspent funds/ (receivable) as at 31-12-2017
Uganda Country Programme			USD	USD	USD	USD	USD
Multi-Sector Assistance M/A/K 2012 (Ugx)	278	UNHCR	0	0	0	0	0
Child Nutrition	288	UNICEF	34,527	0	0	34,527	0
Multi-Sector Assistance M/A/K 2013 (Ugx)	279	UNHCR	0	0	0	0	0
Enhancing Local Capacities of Refugees in SW Uganda	276	European Commission	0	0	0	0	0
Multi-Sector Assistance M/A/K 2014 (Ugx)	280	UNHCR	0	0	0	0	0
Multi-Sector Assistance M/A/K 2015 (Ugx)	281	UNHCR	0	0	0	0	0
Multi-Sector Assistance M/A/K 2015 (Ugx)	282	UNHCR	0	0	0	0	0
Multi-Sector Assistance M/A/K 2016 (Ugx)	283	UNHCR	0	0	0	0	0
Multi-Sector Assistance M/A/K 2017 (Ugx)	283B	UNHCR	184,706	2,789,646	2,651,138	(1,381)	324,595
SFP / MNCH	284	UNWFP	(35,084)	0	0	0	(35,084)
SFP / MNCH - Palabek	284C	UNWFP	0	240,750	198,510	0	42,240
SFP / MNCH - Kyangwali	284D	UNWFP	0	0	26,431	0	(26,431)
KEEP Phase 2	285	UN Women	(902)	48,760	48,653	0	(795)
Sub-total - Uganda			183,247	3,079,156	2,924,732	33,146	304,525

Zambia Country Programme							
Community-Led Prevention Initiative (COPI) Extension	450	PACF	73,720	0	30,035	0	43,685
DAFI 2015	436	UNHCR	0	0	0	0	0
Urban Refugee Management (ZKw) 2016	448	UNHCR	24,322	0	11,299	0	13,023
Sustaining Environment and Natural Resources in Kawambwa District (SENARK)	452	CESF	16,807	39,119	74,416	649	(19,139)
Gender Based Violence	451	IOM	(378)	11,483	10,653	0	452
Reception Shelter Construction	453	USAID	12,197	0	9,088	0	3,109
Child Protection and SGBV Research	454	Harvard	3,149	3,080	7,629	0	(1,400)
Global Youth Refugee Consultants	455	WRC	4,486	0	165	0	4,321
Urban Refugee management (ZKw) 2017	456	UNHCR	0	409,440	415,487	(154)	(5,893)
Zambian Humanitarian Hub	457	OXFAM	0	6,475	2,220	0	4,255
DRC Refugee Emergency Response	458	OXFAM	0	125,600	82,195	0	43,405
Food Distribution - WFP Assistance	459	UNWFP	0	33,285	29,324	0	3,961
Sub-total - Zambia			134,303	628,482	672,511	495	89,779

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER, 2017

14. Restricted fund balances (continued)

Project Title	AAH-I Project No.	Donor	Unspent funds/ (receivable) as at 01-01-2017	Receipts during the period	Expenditure during the period	Exchange difference gains/(losses) and bank interest	Unspent funds/ (receivable) as at 31-12-2017
Kenya Country Programme			USD	USD	USD	USD	USD
Mara Enterprise and Market Development - Phase 2	615	BftW	(24,601)	52,694	28,119	(25)	(1)
Mara Enterprise and Market Development - Phase 3	615A	BftW	0	259,617	142,496	0	117,121
Livelihoods - Kakuma 2015	616	UNHCR	(1)	0	(280)	0	279
Livelihoods - Kakuma 2016	616B	UNHCR	(1)	0		(1)	0
KRAP and Logistics Project	616C	UNHCR	0	1,057,777	1,030,900	107	26,770
Livelihoods	617	GIZ	10,161	0	14,081	0	(3,920)
SPARK	618	DFID	160,392	265,167	905,565	892	(480,898)
Sub-total - Kenya			145,950	1,635,255	2,120,881	974	(340,649)

Somalia Country Programme							
Livelihood Support Yemeni refugees	511	UNHCR	504	0	0	0	504
Logistics Support (2014)	512	UNHCR	0	0	0	0	0
Livelihood Support refugees (2015)	511B	UNHCR	584	0	0	0	584
Livelihoods Returnees (2015)	511C	UNHCR	550	0	0	0	550
Livelihoods Returnees (2016)	511D	UNHCR	(90,530)	130,575	(411)	0	40,456
Livelihood Support Refugees (2017)	511E	UNHCR	0	432,000	431,869	0	131
Livelihoods Returnees (2017)	511F	UNHCR	0	420,000	414,313	0	5,687
Logistics Support (2015)	512B	UNHCR	1,158	0	(654)	0	1,812
Urban Education Support (2015)	512C	UNHCR	31,193	0	0	0	31,193
Urban Education Support (2015)	512D	UNHCR	(36,505)	0	0	(24,866)	(11,639)
Urban Education Support (2016)	512E	UNHCR	659	0	0	0	659
Logistics - 2016	512F	UNHCR	49	0	3,821	0	(3,772)
Urban Education Support - 2017	512G	UNHCR	0	381,504	376,613	0	4,891
Logistics - 2017	512H	UNHCR	0	433,966	433,791	(1)	176
Livelihoods - Elwak	513	BftW	75,102	405,155	347,736	(1,194)	133,714
Unkown			(2,596)	0	0	(2,596)	0
Sub-total - Somalia			(19,832)	2,203,200	2,007,078	(28,657)	204,946

Djibouti Country Programme							
Health Systems 2017	701	UNHCR	0	1,154,271	1,151,186	29	3,056

Total restricted funds			698,580	28,580,527	30,387,638	13,258	(1,121,792)
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NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER, 2017

15. Schedule of programme and other expenditure

	2017		2016						
	South Sudan	Uganda	Zambia	Somalia	HQ	Kenya	Djibouti	Ethiopia	Total
	USD	USD	USD	USD	USD	USD	USD	USD	USD
Programme expenditure									
Basic services - Primary health care, water and sanitation and education	6,345,956	42,346	43,692	0	0	0	1,068,382	0	7,500,376
Food and income security and environmental management and protection	458,962	0	0	346,316	0	656,360	0	0	1,461,638
Refugee management programme	12,572,577	2,286,380	465,373	1,434,974	0	957,410	0	0	17,716,714
Civil society strengthening and peace building	200,060	25,537	70,887	0	0	170,615	0	0	465,099
	19,577,555	2,352,263	579,952	1,781,290	0	1,784,385	1,068,382	0	27,143,827
Administration and support costs	1,013,910	438,358	104,110	36,667	1,330,602	196,377	93,358	17,875	3,407,373
Total	20,581,465	2,790,621	684,062	1,817,957	1,330,602	1,980,762	1,161,740	17,875	30,375,084
									22,267,408

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER, 2017

16. Taxation

No provision for taxation has been recognised in these financial statements, as directors of the organisation consider it to be exempt from tax on its entire income. In arriving at this conclusion, the directors have taken into consideration Section 10 of the First Schedule of the Kenya Income Tax Act. Section 10 exempts organisations that are established solely for the purpose of relief of poverty or distress of the public or for advancement of religion or education for the benefit of residents in Kenya. The organization has also considered the fact that part of the income is for activities in other countries which do not fall under the Kenyan Income Tax regime.

17. Incorporation

Action African Help International (AAH-I) is a non-governmental organization registered in Nairobi, Kenya, in December 2003 under Section 10 of the Kenya Non-Governmental Organizations Co-ordination Act of 1990.

18. Presentation currency

The financial statements are presented in USD.

19. Abbreviations

AAH-I	Action Africa Help International
CAPOR	Capacity building for Post-Conflict Reintegration
COPI	Community-Led Prevention Initiative
CSEF	Civil Society Environment Fund
DAFI	Albert Einstein German Academic Refugee Initiative
DFID	Department for International Development (UK)
FAO	Food and Agriculture Organization
GBV	Gender-based Violence
HPF	Health Pooled Fund
IOM	International Organization for Migration
KEEP	Karamoja Economic Empowerment Programme
KRAP	Kenya Refugee Assistance Programme
MDTF	Multi-Donor Trust Fund
SENARK	Sustaining Environment and Natural Resources
SPARK	Support for Protection and Assistance of Refugees in Kenya
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
WFP	World Food Programme