

AFRICA CENTRE FOR OPEN GOVERNANCE (AFRICOG)

AUDITED FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31ST DECEMBER 2009

AUDITORS

KIMANI AND ASSOCIATES  
CERTIFIED PUBLIC ACCOUNTANT  
P.O. BOX 20122-00200  
NAIROBI

AFRICA CENTRE FOR OPEN GOVERNANCE (AFRICOG)

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**AFRICA CENTRE FOR OPEN GOVERNANCE (AFRICOG)**

**INFORMATION HIGHLIGHTS**

Principal Impementor	:	Africa Centre for Open Governance (AFRICOG)	
Category	:	Non-Governmental Organization (NGO)	
Registered Office	:	Kabasiran Avenue, Off James Gichuru Rd, Lavington, NAIROBI	
Contact Person	:	Gladwell G. Otieno	
Telephone Number	:	254-20-4443707	
Address	:	P.O. Box 18157-00100 NAIROBI	
Executive Board	:	Gladwell Otieno Ms. Stella Chege Mr. Maina Kiai Mr. John Githongo Mr. Duncan Okello	Political Scientist Project Officer Lawyer Governance Consultant Social Scientist
Auditors	:	Kimani and Associates Certified Public Accountants (K) Embassy House - 3rd Floor P.O. Box 20122-00200 NAIROBI	
Bankers	:	NIC Bank NIC Branch House P.O. Box 44599 NAIROBI	

## AFRICAN CENTRE FOR OPEN GOVERNANCE (AFRICOG)

## STATEMENT OF THE EXECUTIVE BOARD'S RESPONSIBILITIES

It is the responsibility of the Executive Board of AFRICOG to prepare financial statements for each financial year, which gives a true and fair view of the state of affairs of the organization as at the end of the financial year and of the operating results of the organization for that year. The Executive Board is also required to ensure that proper accounting records are maintained which disclose with reasonable accuracy at any time the financial position of AFRICOG. The executive board is also responsible for safeguarding the assets of the organization.


The Executive Board is responsible for the preparation of fair presentation of these financial statements in accordance with International Financing 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.

The Executive Board accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards. The Executive Board is of the opinion that the financial statements give a true view of the financial affairs of AFRICOG and of its operating results. The Executive Board further accepts responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the executive board to indicate that AFRICOG will not be able to continue with its activities for at least the next twelve months from the date of this statement.



National Chairperson



Executive Director

1<sup>st</sup> October 2010

**AFRICA CENTRE FOR OPEN GOVERNANCE (AFRICOG)**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**AFRICAN CENTRE FOR OPEN GOVERNANCE (AFRICOG)**

We have audited the financial statements of AFRICOG set out on pages 4 to 10 as at 31<sup>st</sup> December 2009, and have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

**Respective responsibilities of the executive board and auditors**

The Executive Board is responsible for the preparation and fair presentation of these financial statements in accordance with 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. Our responsibility is to express an opinion on these financial statements based on our audit.

**Basis of opinion**

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 as to whether the financial statements are free from material misstatement.

An audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment and include an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we considered 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 organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Executive Board, as well as evaluating the overall presentation of the financial statements.

We believe that our audit provides a reasonable basis for our opinion.

**Opinion**

In our opinion, proper books of account have been kept by the organization and the financial statements, which are in agreement therewith, give a true and fair view of the state of affairs of the organization as at 31 December 2009 and of its statement of expenditure for the period then ended in accordance with International Financial Reporting Standards.

**Report On other Legal Requirements**

The Kenyan Companies Act requires that in carrying out our audit, we consider and report to you on the following matters, we confirm 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;
- iii) The company's balance sheet is in agreement with the books of account.

**Nairobi, Kenya**

Date ----- 2010

*Kimani and Associates*  
Certified Public Accountants

## AFRICA CENTRE FOR OPEN GOVERNANCE (AFRICOG)

## BALANCE SHEET AS AT 31 DECEMBER 2009

	Notes	2009 Kshs	2008 Kshs
Non- Current Asset	2	1,144,033	802,638
General Fund	3	11,281,544	23,898,759
		<u>12,084,182</u>	<u>24,701,397</u>

## REPRESENTED BY:

Cash and cash Equivalent	4	12,084,182	24,701,397
		<u>12,084,182</u>	<u>24,701,397</u>

Approved on by the Board on day 1<sup>st</sup> October 2010

and signed on its behalf by

  
Director

  
Director

## AFRICA CENTRE FOR OPEN GOVERNANCE (AFRICOG)

STATEMENT OF EXPENDITURE FOR THE YEAR  
ENDED 31ST DECEMBER 2009

INCOME	Notes	2009 Kshs	2008 Kshs
Grant Income	5	38,830,610	62,957,326
Interest Income		380,657	267,561
Other Income		455,566	642,935
		<u>39,666,833</u>	<u>63,867,822</u>
<b><u>EXPENDITURE</u></b>			
Bank charges		61,932	54,750
Computer Maintenance		64,610	84,518
Fax and Telephone		352,405	302,706
Insurance		27,965	21,013
Internet and LAN set up		697,700	693,605
Travelling		421,974	564,572
Office expenses and maintenance		1,399,094	896,572
Office Rent		1,641,000	1,050,000
Depreciation		338,289	214,456
Subscriptions		-	90,000
Salaries and Wages		18,799,384	12,998,762
Other taxes		-	182,246
Withholding tax		361,962	303,295
Advocacy		5,811,115	4,788,261
Audit fees		290,000	429,200
Training and Development		30,458	542,590
Case studies and papers		3,203,677	306,560
Consultancy		6,052,031	6,155,438
Legal fees		-	406,625
Media Advertising		904,494	4,286,867
Meeting expenses		1,603,558	123,854
Monitoring		2,435,591	940,810
Networking		2,581,949	986,467
Policy papers		613,928	503,289
Postage and Distribution		89,384	41,427
Printing and Publication		1,421,889	172,959
Research		748,075	454,509
Software and Licenses		79,394	172,308
Tool Development and Implementation		233,200	1,020,410
Protection		-	48,921
Communication		168,000	-
Program Development		1,551,485	-
Mobilization		1,243,220	-
Total Expenses		<u>53,227,764</u>	<u>41,547,266</u>
Surplus/(deficit)		<u>(13,560,931)</u>	<u>22,320,556</u>

## AFRICA CENTRE FOR OPEN GOVERNANCE (AFRICOG)

## CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 Kshs	2008 Kshs
Surplus for the year	(13,560,931)	22,320,556
Add: Depreciation	<u>338,289</u>	<u>214,456</u>
Operating surplus/deficit before working capital changes	(13,222,642)	22,535,012
<u>Applications of funds</u>		
Purchase of Assets	679,684	1,017,094
Net Cashflow from financing activities	679,684	1,017,094
Net cashflow from financing activities	<u>-</u>	<u>-</u>
Net cashflow for the year	(12,626,215)	24,701,397
Net Cash and cash equivalent at the beginning of the year.	24,710,397	-
Net Cash and cash equivalent at the end of the year	<u><u>12,084,182</u></u>	<u><u>24,701,397</u></u>



**AFRICA CENTRE FOR OPEN GOVERNANCE (AFRICOG)**

**NOTES TO THE FINANCIAL STATEMENT FOR THE  
YEAR ENDED 31ST DECEMBER 2009**

**1 SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Preparation**

The fund accountability statement is prepared on a cash basis.

**(b) Revenue Recognition**

Grants from donors are accounted for on a receipt basis. All grants received in foreign currencies are translated into Kenya Shillings at the exchange rates on the date of receipt.

**(c) Translation of foreign Currencies**

Transaction in foreign currencies during the year are converted into Kenya Shillings at exchange rates on transaction dates.

**(d) Taxation**

No provision for tax or deferred tax is recognised as the programme is exempt from taxation.

**(e) Property, Plant and Equipment**

All categories of Property, Plant and Equipments are initially recorded at cost and depreciated using rates as indicated under (b) below..

**(f) Currency**

The Fund Accountability Statement is presented in Kenya Shillings.

**(g) Incorporation**

The Centre is incorporated under the Companies Act., Cap 486 Laws of Kenya.

**(h) Depreciation**

Depreciation has been calculated on the reducing balance method to write off the cost of non current assets over their estimated useful lives. The following rates have been used:

	Rate
Computer	30.0%
Furniture & Fittings	12.50%
Plant & Equipment	12.50%

## AFRICA CENTRE FOR OPEN GOVERNANCE (AFRICOG)

NOTES TO THE FINANCIAL STATEMENT FOR THE  
YEAR ENDED TO 31ST DECEMBER 2009(contd)

## 2. NON CURRENT ASSETS SCHEDULE (KSHS)

	Furniture & Fittings Kshs	Computers Kshs	Plant & Equipment Kshs	Total Kshs
Cost/valuation	209,518	498,968	308,608	1,017,094
Addition	119,924	525,000	34,760	679,684
Disposal				
	<u>329,442</u>	<u>1,023,968</u>	<u>343,368</u>	<u>1,696,778</u>
<u>Depreciation</u>				
At 1.1.2009	26,190	149,690	38,576	214,456
Charge for the period	37,907	262,283	38,099	338,289
At 31.12.2009	<u>64,096</u>	<u>411,974</u>	<u>76,675</u>	<u>552,745</u>
<u>N.B.V</u>				
At 31.12.2009	<u>265,346</u>	<u>611,994</u>	<u>266,693</u>	<u>1,144,033</u>
At 31.12.2008	<u>183,328</u>	<u>349,278</u>	<u>270,032</u>	<u>802,638</u>

## 3 General Fund

	Notes	2009 Kshs	2008 Kshs
Grant Income	5	38,830,610	62,957,326
Add: Interest Income		380,657	267,561
Other Income		455,566	642,935
		<u>39,666,833</u>	<u>63,867,822</u>
Less: Expenditure		(53,227,764)	(41,547,266)
		<u>(13,560,931)</u>	<u>22,320,556</u>
Add: Retained Funds		24,842,475	1,578,203
Closing Balances		<u>11,281,544</u>	<u>23,898,759</u>

## AFRICA CENTRE FOR OPEN GOVERNANCE (AFRICOG)

NOTES TO THE FINANCIAL STATEMENT FOR THE  
YEAR ENDED TO 31ST DECEMBER 2009(contd)

## 4 Cash and Cash Equivalent

	2009 Kshs	2008 Kshs
NIC ADMIN	(380,815)	4,718,727 OSIEA
NIC DFID	3,193,103	86,656
NIC FINN	71,768	1,026,279 ✓
NIC GENERAL	1,286,857	4,556,895 UNDP
NIC MOPA	480,917	6,501,327 ✓
NIC OSIEA	3,778,852	7,811,513 ✓
NIC NED	1,112,593	-
NIC TISA	2,540,907	-
	<u>12,084,182</u>	<u>24,701,397</u>

AFRICA CENTRE FOR OPEN GOVERNANCE [AFRICOG]  
INCOME AND EXPENDITURE STATEMENT FOR YEAR  
ENDED 31st DECEMBER 2009 [PER DONOR]

Note 5

Donor	DFID	TISA	URAlA	OSIEA	MOPA	TIDES	RNE	GTZ	FINN	OSIEA	AFRICOG	Totals
<b>Income</b>												
Grant income	6,800,000	6,312,230	6,500,000	9,836,752	1,400,000	598,400		573,992	30,237	5,697,720	1,081,279	38,830,610
Interest income	90,311	9,153	9,660	114,579	36,127						120,827	380,657
Other income	46,179			20,000							389,387	455,566
<b>Expenditure</b>												
Banking charges	18,414	6,321,383	6,509,660	9,971,331	1,436,127	598,400		573,992	30,237	5,697,720	1,591,493	39,666,833
Computer Maintenance	37,850	6,250	500	11,968					1,000	7,400	23,800	61,932
Fax and Telephone	83,710	15,000	52,598	19,560	23,832			14,380	41,443	28,279		64,610
Insurance	21,520	6,445		93,161								352,403
Internet set up and Maintenance	390,299			139,597					33,408	11,997		27,965
Local Travel	222,610		122,998	90,600					33,800	33,800		697,699
Office Admin Expenses	433,369	109,366	272,371	244,560	83,730			36,031	55,276	40,128		406,010
Office Maintenance	52,900			43,894						12,000		1,399,094
Rent	780,000	261,900		390,000	195,000				15,000			108,794
Other office running cost	11,905		1,400,000									1,641,000
Payroll Expenses	2,750,492			3,668,169	3,100,000					3,280,145		11,965
Project cost	15,458	168,000	896,910	18,550				57,000		665,500		18,799,384
Case studies and papers	1,120,117								472,600			3,230,677
Depreciation				1,646,125				399,000		181,725		338,289
Consultancy	1,214,418	997,900	1,683,000									6,122,168
International Travel	21,964											21,964
Meetings	286,558	133,700	102,500	83,835	840,650			58,040		51,500		1,371,502
Monitoring	24,300	976,800	1,100,870	333,621								2,435,591
Policy papers	420,788		193,140									89,384
Postage and distribution	30,734			20,300				38,350				1,421,889
Printing and publication	800,229		150,960	30,000				305,000	6,000	440,700		1,551,485
Program development	825,060		23,385	253,750						392,040		269,900
Research assistants	6,150	10,000										290,000
Audit fee												290,000
Tool development	155,600											233,200
Withholding tax	113,172		138,290	89,500				21,000		57,600		361,962
Mobilisation		659,020			584,200							1,243,220
Research		248,340										324,340
Training		15,000							76,000			15,000
Advocacy												5,811,114
Media advertising		2,918,146	2,520,838		360,130							904,494
Networking		612,244	95,004						197,246	12,000		2,581,949
Software and Licence		144,485		26,500								79,394
Communication					52,894							168,000
<b>Total Expenditure</b>	<b>9,837,677</b>	<b>3,606,821</b>	<b>9,811,797</b>	<b>12,256,796</b>	<b>5,293,436</b>			<b>535,040</b>	<b>944,748</b>	<b>5,214,814</b>	<b>5,544,930</b>	<b>53,277,764</b>
<b>Surplus/Deficit</b>	<b>(2,901,877)</b>	<b>2,714,562</b>	<b>(3,302,137)</b>	<b>(2,285,465)</b>	<b>(3,857,309)</b>	<b>598,400</b>	<b>(535,040)</b>	<b>160,231</b>	<b>(914,511)</b>	<b>482,906</b>	<b>(3,953,437)</b>	<b>(13,560,931)</b>

AFRICA CENTRE FOR OPEN GOVERNANCE

P. O. Box 18157 - 00100, NAIROBI

TEL: 2723031

admin@africog.org